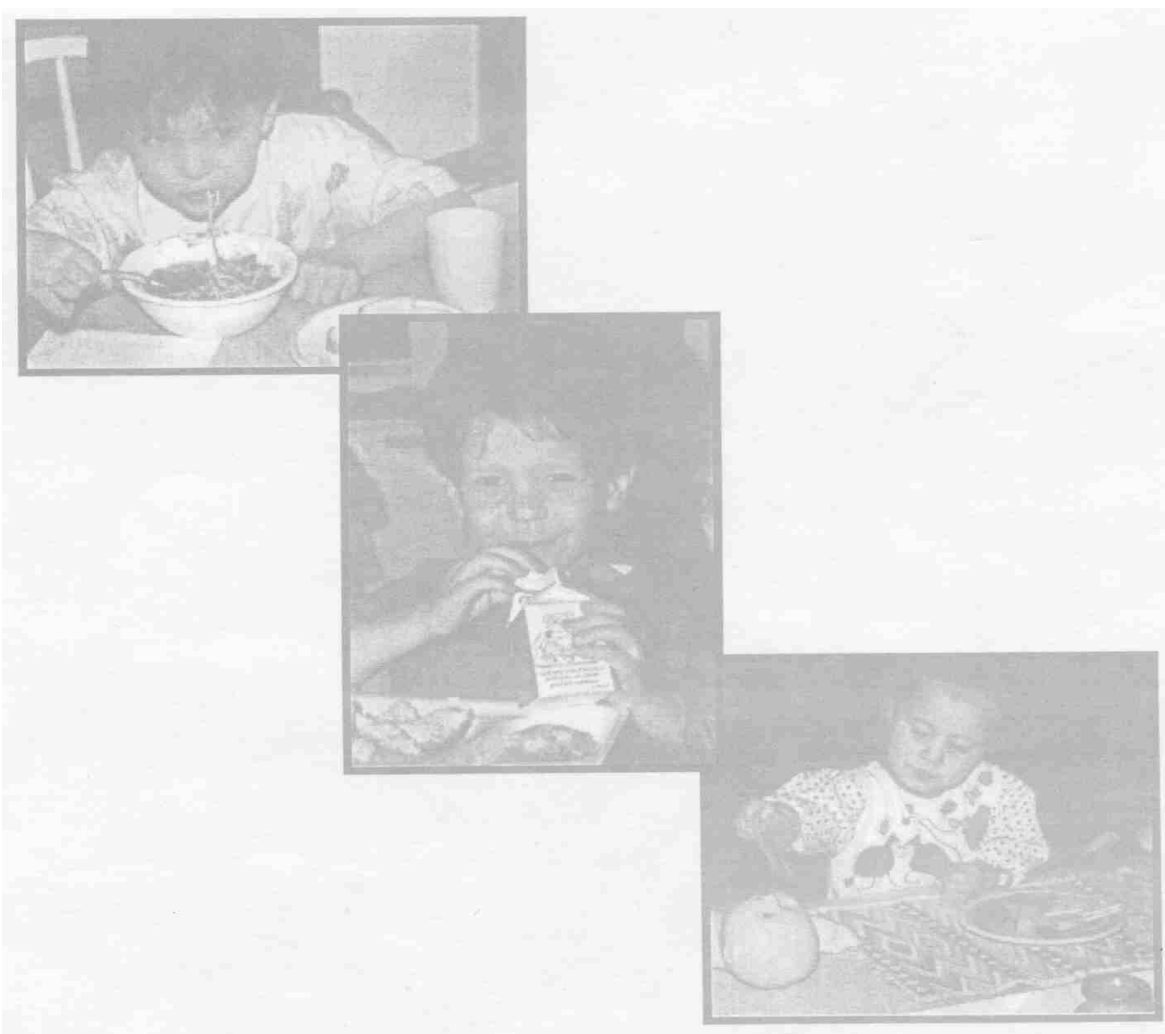




Georgia Department of Early Care and Learning

Child and Adult Care Food Program

Child Care Centers Handbook



Revised May 2008

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Introduction

The Child and Adult Care Food Program (CACFP) is a program under the U.S. Department of Agriculture's Food and Nutrition Service (FNS) whose mission is to alleviate hunger and to safeguard the health and nutritional well being of the Nation through the administration of nutrition education and domestic food assistance programs. Under the child care component of CACFP, cash reimbursement and donated commodities or cash-in-lieu of commodities are provided to help two distinct types of nonresidential facilities for children – family day care homes (FDCH) and child care centers – serve more nutritious meals. In addition, children in emergency or homeless shelters that may provide residential services can participate. The eligibility conditions, operating requirements, and terms applicable to family day care homes and day care centers differ significantly, because family day care homes can participate only when sponsored by a public or private nonprofit DCH sponsor approved by the Bright from the Start, while day care centers and outside-school-hours care centers (before and after school programs) as well as shelters may operate the Program independently or under a sponsoring organization.

This handbook specifically focuses on CACFP operations by independent and sponsored affiliated child care centers and by sponsoring organizations of such centers (center sponsors). Three separate handbooks are also available which focus on CACFP operations by family day care home sponsors, administrative sponsors (sponsors of unaffiliated centers) and by adult day care centers.

Bright from the Start recognizes that maintaining a high quality, nutritious meal service requires a commitment to excellence on the part of local sponsors, center operators, and caregivers. We applaud the efforts of the many dedicated persons who ensure that the participating children are served wholesome, attractive, and nutritious meals in a sociable environment while meeting the requirements for Federal assistance.

Chapter 1

Background

Legislative History

The earliest Federal meal assistance program for pre-school children in day care was the Special Food Service Program for Children (SFSPFC) year-round component, established by Public Law 90-302 in 1968. Authorized initially as a three-year pilot program, it provided reimbursement specifically limited to meals served in day care centers, settlement houses, and recreation centers that provided child care services in areas with high concentrations of working mothers and where poor economic conditions existed. Congress reaffirmed support for this limited assistance in 1972, when Public Law 92-433 extended SFSPFC authorization through Fiscal Year 1975.

In November 1975, Public Law 94-105 added a new Section 17 to the National School Lunch Act, establishing and authorizing, for three years, the separate Child Care Food Program (CCFP), and mandating a number of significant changes:

- for the first time, child care facilities were required to meet certain licensing or approval standards to participate;
- eligibility was extended to any public or private nonprofit organization providing nonresidential child care services, regardless of location – specifically including Head Start programs, family and group day care homes, and sponsoring organizations; and
- application procedures and reimbursement formulas for both centers and homes were patterned after the National School Lunch Program's free and reduced price eligibility requirements, based on the household size and income of each enrolled child.

Congress enacted Public Law 95-627 in 1978 because of increasing awareness that certain licensing, paperwork, and recordkeeping requirements were restricting or discouraging CCFP participation by family day care homes; that major differences existed between the needs and operating methods of family day care homes and child care centers; and that the responsibilities of administering agencies and sponsoring organizations needed to be more precisely defined. These concerns were addressed, and several new provisions including a broader definition of "children" to include disabled persons over 18 years of age attending eligible child care facilities; and the expansion of eligibility to include outside-school-hours care centers were added to Section 17. Also this law permanently authorized the CCFP.

In 1981 Public Law 97-35 reduced the eligibility age limit from 18 to 12 years, except for migrant workers' children who can participate through age 15, and disabled persons attending eligible facilities. It also set a limit on the maximum number of reimbursable meals at two meals and one supplement (snack) per child per day, which was later clarified by policy issuance, to alternately allow a maximum of one meal and two snacks per child per day. A 1982 provision of Public Law 97-370 specified that reimbursement claims must be submitted to the administering agency within 60 days following the claiming month to be eligible for payment.

Public Law 101-147 in November 1989 authorized administering agencies to take center and sponsor renewal applications and agreements on an every-other-year basis, and changed the name of the CCFP to the Child and Adult Care Food Program (CACFP). In 1994, Public Law 103-448 further amended the renewal application process to allow centers and sponsors, at the discretion of the State agency, to reapply at 3-year intervals. This law contains several other provisions; including categorical eligibility for certain Head Start and Even Start program enrollees.

In 1998, Public Law 105-336 authorized CACFP reimbursement for snacks to children through age 18 in after-school care programs, called the “At Risk” after school care program. It also consolidated benefits for homeless children; and reinstated automatic eligibility for free meals for children participating in Even Start.

In 2000, Public Law 106-224 added new eligibility criteria for institutions, requirements for approval of institutions, monitoring requirements for State agencies and sponsoring organizations, parent notification, management improvement training, and procedures on withholding of administrative funds. This law also authorized procedures for the termination of institutions and recovery of payments to institutions that result from an invalid claim, fraud or abuse.

In 2002, regulations were revised to clarify infant meal patterns and made information about infant meals more consistent and easier to read. Also, Interim rule June 27, 2002, made significant changes to improve program management and integrity.

In 2004 the Child Nutrition and WIC Reauthorization Act permanently established new eligibility methods for proprietary (for-profit) child care centers. In addition, new interim rules continued to make changes to improve program management and integrity. It also increased the eligibility age limit to 18 years for emergency and homeless shelters.

Who Administers the Program

The Food and Nutrition Service (FNS) administers the CACFP at the national level through seven regional offices. The national office develops regulations and establishes policies, and each regional office takes a written agreement with a State agency – the educational, social services, or health department – to administer the CACFP in all States except Virginia, where the Program is directly administered by FNS’s Mid-Atlantic Regional Office. In Georgia the Child and Adult Care Food Program is administered by Bright from the Start: Georgia Department of Early Care and Learning which is responsible for the following:

- Approval of applications
- Annual training of current and new sponsors
- Reviews and audits
- Payment of claims
- Program outreach
- Federal reporting of information related to the CACFP

Chapter 2

Eligibility Requirements

Centers Which Are Eligible

Organizations are eligible to participate in the child care component of the Child and Adult Care Food Program (CACFP) as independent child care centers or as sponsors of day care facilities for children. This chapter provides information on the eligibility requirements for enrolled children in centers to receive CACFP meals, as well as the requirements for independent centers, sponsoring organizations of centers, and their sponsored centers, to operate the Program.

- A. All centers must provide non-residential **day care services** to children except for homeless shelters which can provide residential services as well. Non-residential means that participants do not stay at the facility more than 24 hours.
- B. Centers may be one of the following:
 - 1. Public - city, county, state, or federal agencies. (e.g. Mental Health centers)
 - 2. Private nonprofit day care centers. (Entities that have been granted tax exemption under the Internal Revenue Code of 1986 or churches that qualify for exemption under this code)
 - 3. Private for profit child care centers that meet at least one criteria below:
 - a) Centers that receive Title XX/ Cat 1 Pre-K funding for 25 percent or more of the enrolled children, or 25 percent of the licensed capacity, whichever is less. Title XX benefits are child care subsidies provided through the Childcare and Parent Services Section of the Division of Family and Children Services (DFCS). If a family receives subsidy, it is receiving Title XX benefits.
 - b) Centers that have at least 25% of enrollment or licensed capacity, whichever is less, eligible for free and reduced price meals as determined by income eligibility statements completed by households.
 - 4. Emergency shelters / homeless shelters that serve unaccompanied children or children and their families

The primary purpose of centers eligible to participate on the CACFP must be to provide nonresidential day care to children (with the exception of emergency/homeless shelters). Simply providing services to children such as substance abuse rehabilitation centers, or social centers does not meet Program eligibility requirements.

Residential Child Care Institutions (RCCI)

Residential Child Care Institutions that operate a program for children that is distinct from their regular RCCI program may qualify under the CACFP if meeting the definition of a temporary shelter. RCCI's that have schools on campus may qualify for assistance under the National School Lunch Program. RCCI's that does not have a school onsite may qualify for Nutrition assistance under a program operated by the Southeast Regional USDA office. Contact 404.527.7072 for more information.

The following details child care programs that are and are not eligible to participate in the CACFP.

Eligible Child Care Programs:

- Nonresidential day care centers (except emergency shelters)
- Head Start centers
- Before and after school programs providing child care
- Emergency shelters / homeless shelters that serve both children and their families
- Emergency shelters that serve unaccompanied children (for example runaway shelters)

Ineligible Child Care Programs:

- Residential facilities such as group homes for children in State custody
- Programs organized only to provide sports activities such as recreation departments, sports leagues, etc.
- Substance abuse rehabilitation programs
- School age programs, Kindergarten-12th grade, other than before and after school care programs

Children Who Are Eligible

Enrollees in eligible centers can receive CACFP benefits if they are:

- age 12 years or under; or
- children of migrant workers age 15 or under; or
- mentally/physically disabled persons, as defined by the State, at any age if the majority of enrollees are age 18 or under;
- children up to age 18 in emergency/homeless shelters or participating in the After School Snack “at risk” program

Institution Type

To participate on the CACFP, an organization must sign an agreement with Bright from the Start. The organization that signs an agreement with the State Agency is called an **institution**. Depending on the type of institution, it may participate as an Independent Center, a Center Sponsor, an Administrative Sponsor, or a Day Care Home Sponsor.

- **Independent Center** – an institution that owns and operates one child care center.
- **Center Sponsor** – an institution that legally owns and operates at least two or more centers.
- **Administrative Sponsor** – an institution that sponsors at least one or more centers that are **not** legally owned or operated by the institution.
- **Day Care Home (DCH) Sponsor** – an institution that sponsors at least one or more day care home providers.

Center sponsors, Administrative Sponsors and DCH sponsors are called sponsoring organizations and must accept final administrative and financial responsibility for CACFP operations in all of their sponsored facilities. Independent Centers are responsible for their individual site. Bright from the Start policy #22 provides more information on responsibilities that must be fulfilled by the institution and those that may be contracted out.

This book will focus on Independent Centers and Center Sponsors. Administrative and DCH sponsors have different requirements and application procedures than Independent Centers and Center Sponsors and their own specific handbooks should be consulted. In addition, Adult Care Centers have their own handbook that should be consulted.

The Independent Center or Center Sponsor that provides child care services must be the organization that makes the application for the CACFP. Organizations that only provide meals to the child care centers would not be eligible to submit an application for the CACFP. These organizations would be considered food vendors and should have an agreement or contract with the organization making the application (See the information listed under Meal Preparation Systems later in this book).

Center sponsors must legally own or operate all the facilities underneath their sponsorship. A center sponsor may be a public agency, private nonprofit organization, or a private for-profit organization. The legal entity and the Federal Employer Identification (FEI) number must be the same for all centers under a center sponsor. Organizations that have a separate legal corporation and FEI number, regardless if the principal persons involved in the organizations are the same, will be assigned different agreement numbers for each center.

For-Profit Center Eligibility

For-profit Independent Centers and Sponsors of for-profit centers must qualify for the program by having at least 25% of the enrolled participants or licensed capacity, whichever is less, at each center meet one of the two eligibility methods: 1) 25% or more which receive Title XX/Pre-K Cat. 1 benefits; or 2) 25% or more households which are eligible for free and reduced price meals based on completed income eligibility statements.

Bright from the Start CACFP Policy 13 requires for-profit centers to use the Title XX/Pre-K Cat. 1 method first to qualify. To do this, centers determine the number of children in their center who receive child care subsidy from the local Department of Family and Children Services and if the center participates in the Georgia Pre-K program, the number of children that qualify for Pre-K Cat. 1 services based on the definitions in the Pre-K guidelines. The center can use either DFCS or Cat. 1 children to meet the 25% or a combination of the two.

If the center cannot qualify using the Title XX eligibility method, the center must determine if it has 25 % of households that would qualify for free or reduced price meals (F/RP) based on completed income eligibility statements. Once all income eligibility statements have been received from parents, the center would determine if the number of free or reduced households equals 25% or more of the licensed capacity, or enrollment, whichever of these two is the smallest.

For-Profit Sponsors of Centers

INIA for-profit organization is eligible to serve as the sponsoring organization only for proprietary (for-profit) Title XX or Free and Reduced Price Meal centers that are an integral part of the same legal entity as the sponsoring organization. These organizations are called Center Sponsors. (Some Center

Sponsors are also nonprofit organizations, but qualify based on their tax-exempt status.) A for-profit Center Sponsor cannot sponsor proprietary (for-profit) Title XX or F/RP centers that are not owned and operated by the organization. In addition, for-profit organizations cannot sponsor public or private nonprofit centers.

Tax-Exempt Status for Non- Profit Centers

Public centers or public sponsoring organizations, such as county or city government agencies, and private nonprofit organizations are eligible to participate in the CACFP without having to meet the 25% Title XX or F/RP criteria. However, private nonprofit centers and private nonprofit sponsoring organizations must have tax-exempt status under the Internal Revenue Code of 1986. These organizations must provide documentation of this status to the Department of Early Care and Learning in order for the application to be approved for participation. Please see Bright from the Start CACFP policy 1 for more information.

Licensing and Alternate Licensing

Federal, state, or local licensing or approval is required for all child care centers, except those centers that participate only as At Risk After School Care Snack, Outside School Hours Centers, and Emergency Shelters (these centers must obtain a Certificate of Occupancy upon initially opening). This approval is needed as an assurance that the enrollees in attendance at the center are receiving care, and that their meals will be served in a safe and healthful environment.

Child Care Centers that are not licensed by a Federal, State, or local authority must comply with CACFP Child Care Standards and have a current health/sanitation permit or satisfactory report of inspection conducted by local authorities within the past 12 months and a current Certificate of Occupancy.

Centers that are using CACFP Child Care Standards to qualify must use the Bright from the Start Child and Adult Care Food Program Child Care Standards form to conduct an evaluation of their center to assess compliance with the standards. If a standard is not met, the center must take steps to become compliant. If the organization takes the steps to become and remain compliant with the standard, the center can consider itself compliant and may qualify for the CACFP. If the center cannot meet and permanently maintain compliance with the standards, it is not eligible to participate. Centers qualifying under the CACFP Child Care Standards must conduct an evaluation at least once a year and ensure compliance to continue participation.

Centers must certify compliance with and maintain the Child Care Standards form at the center. Refer to the Application Instruction Booklet for specific information concerning the documents needed for your center(s) to make an application.

“At Risk” After School Care Centers

In 1998, Public Law 105-336 authorized a program called the “At Risk” After School Care program. Certain programs that meet the eligibility criteria are able to claim CACFP reimbursement for snacks to children through age 18 in after-school care programs.

To qualify for this program centers, along with any previously listed eligibility qualifications, must meet the following requirements:

- Be located in a low-income school zone where 50 percent or more of the local school children are eligible for free and reduced price school meals.
- Offer educational or enrichment activities as part of the afterschool program.

The Free and Reduced Lunch Data is used for the center to determine whether any schools in the same school zone have 50 percent or more of the children eligible for free and reduced price school meals. This data is obtained from the Department of Education and is updated on the Bright from the Start website by February 15th each year.

Centers are required to contact the local school district to determine which schools are located in the school zone of the address of the center. Any of the schools in the center's school zone that meet the 50 percent requirement can be used to qualify. Centers may enroll children that attend school outside the school zone, but schools outside the center's zone cannot be used to qualify, even if the children attend the after school program. Because the program is intended to organizations in providing programs to help reduce or prevent children's involvement in juvenile crime or other high risk behavior, only those children which attend a school age program and come to the center after their school day has ended are eligible to be claimed in the At Risk program.

Centers must be providing educational or enrichment activities as part of the afterschool program. Educational or enrichment activities include tutoring, social skill development, and various topics. Activities must be facilitated and supervised by staff of the afterschool program and provide for interaction and teaching opportunities between staff and enrollees. Therefore, programs which only provide time for students to complete homework would not qualify as an educational/enrichment activity.

All participants that are enrolled in an approved At Risk After School Care Program must be placed on a separate roster and all are claimed at the free rate. These children are not included in the Income Eligibility Categories on the claim for reimbursement unless they are also enrolled in the child care center for before school or holiday care and have an approved Income Eligibility Statement on file.

Snacks are the only meal that can be claimed on the At Risk program. If the child eats other meals at the center, the At Risk snack cannot be claimed in excess of the 2 meals/1 snack or 2 snack/1 meal limit. At Risk After School Care snacks can only be claimed during the regular school year. Snacks can be claimed during holiday breaks during the school year, but cannot be claimed during the summer holiday. For those centers that reside in a school zone where the school conducts year round school, the center may continue to claim during holiday breaks during the school year, but if there is a definite summer break, for example a five week break between the end of a school year and the beginning of the next, snacks could not be claimed during that summer break.

Institution Criteria for Participation

Officials of independent centers and sponsors who enter into Program agreements with the Department of Early Care and Learning agree to:

- accept final administrative and financial responsibility for operating the nonprofit food service in the center or in the sponsored centers;
- submit applications for participation for themselves and for each sponsored center;
- ensure that meals served meet the meal pattern requirements;
- comply with requirements related to the financial management of the Program;
- provide adequate supervisory and operational personnel for managing and monitoring the Program;
- establish procedures to collect and maintain all necessary program records from all sponsored centers;
- if for-profit, not claim reimbursement for any individual sponsored center in months when less than 25 percent of enrollees or 25 percent of licensed capacity, whichever is less, are Title XX beneficiaries or qualify for F/RP meals;
- provide training and technical assistance to all sponsored centers;
- complete and sign an agreement with the director or other responsible official of each sponsored center.



Chapter 3

Applying for the Program

Training Requirements for New Applicants

Organizations that are applying to participate in the CACFP for the first time must attend a two-day Program training class. Applications for participation are received at program training. No applications are sent in the mail except in some change of ownership situations. After the initial application, participating institutions will reapply via the Nutrition database, CNP 2000.

Application Requirements

To participate in the CACFP, each organization must submit to Bright from the Start all required information that, at a minimum, includes:

- a completed application and necessary documentation including a management plan and budget;
- evidence of public or private nonprofit status, or for a proprietary Title XX or F/RP center, evidence that the Independent or each sponsored center qualifies;
- evidence of financial viability, administrative capability, and program accountability;
- documentation of compliance with licensing or alternate approval requirements for each sponsored center;
- nondiscrimination and free and reduced price policy statements for pricing centers; and
- a media release to the local media announcing the availability of the Program.

Program Contact Designation

Each organization must assign responsibility for administering the day-to-day operations of the CACFP at the center or sponsoring organization. This person is considered the program contact and must attend all mandatory training. If the program contact changes within the organization, the new program contact must attend Program Training within 60 days of taking over the position. Refer to Bright from the Start policies 20 and 26 for more information

Application Forms

The program contact is responsible for coordinating completion of all forms and submission of all documents necessary for approval to participate in the CACFP. For new applicants the Application Checklist must be used and provides a complete list of documents that must be submitted to Bright from the Start. When completing the application, the applicant should refer to the Application Instruction Booklet provided with the application.

- **Institution Application for Participation** - Requests information about public or nonprofit status, the proposed number of sponsored centers, and information on Board Members.
- **Site Application for Participation** – Requests information about program type, licensing, enrollment, and meal service.
- **Management Plan** - Requests information concerning staffing patterns and administrative accountability, financial viability and management, organizational procedures and capability. For sponsoring organizations it also must include information about training and monitoring the sponsored centers, and reimbursement payments.

- **Budget** – The budget requires the organization to demonstrate the costs that are incurred in the operation of the food service program and those costs that will be paid with CACFP reimbursement. Budgets must be submitted upon initial application in the program for all institutions. Thereafter, Independent Centers that are claiming administrative costs, prior approval, or specific prior written approval items as listed in FNS Instruction 796-2 must annually submit a budget. Sponsoring organizations must annually submit a budget regardless of whether these costs are claimed. After the budget is initially approved for the fiscal year, organizations are not required to submit a new budget unless any new prior or specific prior written approval items will be charged that were not in the initial budget. Additionally, if the organization makes changes that substantially alter the items that will be charged to the CACFP, or substantially alters the amount that is charged for previously approved cost items, a new budget must be submitted.
- **Agreement for Participation** – Sets forth the responsibilities of the organization and of the administering agency. Effective FY 2006 Bright from the Start issued permanent agreements with institutions, which are valid until the organization voluntarily terminates or until Bright from the Start terminates the organization from participation.

Nonprofit Organizations’ Board Members

Nonprofit organizations must meet the guidelines concerning the Board of Directors in order to participate on the program. Federal Tax exempt organizations must be composed primarily of members of the community it serves. Primarily means that the board consists of at least 50% of members of the community rather than of insiders or individuals who are related to one another. Refer to Bright from the Start policy #28 for additional information.

Free and Reduced Price Policy Statement

7 Code of Federal Regulations 226.23(a) requires that a written policy statement concerning free and reduced price meals be submitted by each organization. A sponsoring organization must prepare the policy statement for use in all of the centers under its jurisdiction. The contents of the policy statement depend on the organization’s meal pricing system, and an assurance that no child will be discriminated against during the course of the food service must be included.

For nonpricing programs in Georgia, the written free and reduced policy statement is part of the Agreement for Participation and the organization certifies to this when the Agreement is signed. Pricing programs, however, must submit a written free and reduced policy statement that is separate from the Agreement for Participation. This statement must specify the organization’s policy on separate meal charges and describes its procedure, using current income guidelines, for determining eligibility for free, reduced price, or paid rates of reimbursement. If the center charges enrollees separately for meals, this procedure also determines their eligibility to receive meals free or at a reduced price. For such centers the system for collecting meal payments from reduced price and paid meal recipients must be described in the policy statement. Application approval or renewal cannot be granted unless this policy statement is approved by Bright from the Start.

Nonpricing and Pricing Programs

There are two optional systems for charging for CACFP meals, both of which are tied to the Program's free and reduced price meal policy. They are "nonpricing" and "pricing" programs.

Nonpricing programs are those in which the center makes no separate charges for meals served to enrolled children. Since most centers charge fees or tuition covering all areas of their day care services, the majority of centers participating in the CACFP are nonpricing programs. The children's meals are covered by the tuition payments, and no money is exchanged at mealtime. If all enrollees pay the same tuition, no portion of which is specifically earmarked for food service, it is a nonpricing program. Likewise, if all enrollees do not pay the same tuition for reasons other than meal service fees, it is a nonpricing program.

Pricing programs are those in which enrolled children who do not qualify for free meals are charged separate fees for their meals. This may be direct payment from the child at the time each meal is served; a separate daily, weekly, or monthly food charge or meal ticket payment; a specifically earmarked portion of the tuition payment for food service; or an identifiable reduction from the standard tuition rate for meals provided by parents. Independent centers or sponsoring organizations, which charge separately for meals, must develop and submit a policy statement that includes the specific criteria found at 7 CFR 226.23(c). This information can also be found in the application instruction booklet.

When an organization has a pricing program, households can only be charged for the number of meals that are actually served to the enrolled participant. This means that the organization must not charge a household for any meals that the participant was not available to receive. Therefore, the pricing organization must have a system in place to count, record, and charge the household for only those meals that are actually served to the enrolled participant.

Additionally, programs may not charge some participants a separate fee but not others in the center. For example, many organizations that have the Georgia Pre-K program are allowed by Pre-K guidelines to charge the Pre-K students a separate charge for meals. However, if the organization participates on the CACFP, the organization cannot treat and charge differently for different groups within the organization. The organization must choose to be either a pricing or non-pricing program and apply this system across the entire organization.

Media Release

Each organization must prepare and issue a public release to the local media announcing their intention to operate the federally funded CACFP upon initial application to the Program. This release must include:

- the current USDA income eligibility guidelines for free and reduced price meals; and
- a statement that the center does not discriminate against any child because of race, color, national origin, sex, age, or disability.

A copy of this release, including any additional information the center or sponsor wishes to announce, must be provided to one or more newspapers, magazines, radio, or television stations that serve the area of each center. A

copy of the release should be kept on file and one copy sent to Bright from the Start. Whether or not the media uses the public release, the responsibility has been fulfilled when the release is sent to the media source. This means that organizations are not required to pay for or actually have the release published. The organization must however, submit the release to the media source and have verification of the submission.

Annually thereafter, Bright from the Start will issue the media release for all centers participating as of October of each year. Participating organizations will only be responsible for issuance of a media release when new facilities are added under a sponsoring organization throughout the year.

Application Approval

An organization must have a completed application within six months of attendance at program training. If the application is not completed (not merely submitted) within the six-month timeframe, the organization will be required to return to training in order to reinitiate the application process. Refer to Bright from the Start CACFP Policy #10 for more information.

Once an organization's application is complete, a Nutrition Consultant will schedule a pre-operational visit. The Nutrition Consultant will review the operations of the organization to determine if the organization is in compliance with USDA and Bright from the Start regulations and policies.

After attendance at program training organizations must begin to keep all records required by Bright from the Start in the operation of the CACFP. The Nutrition Consultant will review the records and the documentation of daily meals served. Organizations, which do not have documentation of daily meals served, but otherwise have a satisfactory pre-operational visit, will not be approved to participate until the following month.

An organization will receive a decision from Bright from the Start within 30 calendar days after a complete and correct CACFP application resides with the Department. If the application is initially incomplete, the center or sponsor will be advised as to what items are missing in a timely fashion. Bright from the Start may provide technical assistance for the purpose of completing the application. Organizations that indicate a lack of ability to complete the application process and demonstrate its capability to operate the program may be denied or required to participate under an Administrative Sponsor.

Refer to Bright from the Start CACFP policy #8 for effective dates of claiming reimbursement and to review the procedures that the Department uses for application approval.



Authorized Signature

All forms described in this chapter that require a signature must be signed either by the organization's chief officer (i.e., the individual elected or appointed to assume legal responsibility for the organization). The chief officer must submit a letter or a "certificate of authority" with the form to verify any delegation of signature authority to another individual. The legal representative's title may vary. It may be chairman of the board of directors, president of the organization, a public official like the mayor (if a public institution or agency), or the superintendent of education. The pastor of a church may be able to sign for church-sponsored centers if the governing body of the church has authorized the pastor to assume such responsibility.

Application Renewal

Effective FY 2006, Bright from the Start instituted a procedure where organizations will only need to reapply for participation every 3 years; however organizations are required to register via CNP 2000 each year to indicate their choice to continue participation in the Program. Although an organization may not be required to renew with a complete application each year, some documents such as documentation of licensure, and certifications must be submitted on an annual basis, and the organization will not be able to continue participation if these documents are not received. Centers and sponsors must comply with Bright from the Start's guidance on application renewals, and the submission dates for specific information or documentation that is required annually.

Adding Sites

Independent Centers, which purchase another center under the same Legal Corporation and Federal Employer Identification number as the existing center, may add the site on under their Program Agreement. Independent Centers that add a site under their current agreement will become Center Sponsors and must meet the requirements of a Center Sponsor, which are discussed in Chapter 9. Independent Centers should contact the Application Specialist and obtain an Add-a-Site Package for Independent Centers. At that time the Application Specialist will mail the Independent Center a training video on Center Sponsor responsibilities. The organization must review the training video, complete a test, and complete the Add-a-Site package. If the organization is approved as a center sponsor, the organization will be placed on a new review cycle, which will include a 90-day review and all subsequent reviews.

Center Sponsors that are adding sites should download the Center Sponsor Add-a-Site Checklist (if downloading the checklist rather than complete package, all other forms needed must be downloaded as well) or Add-a-Site Package from the Bright from the Start website. The entire package should be completed and submitted to the Application Specialist. When adding a site, the site must be owned by the same legal entity and have the same Federal Employer Identification # as the parent organization. If this is not the case, the new site will be added under a separate Program Agreement.

Change of Ownership

The Agreement to Participate in the CACFP is not transferable to a new owner. When an organization buys a center that is currently participating on the CACFP, the new owner must apply to participate on the program and meet all the requirements of participation including attendance at Program Training by

the individual that will be the Program Contact within the new organization. Therefore, when a change of ownership will take place, the current participant should inform the potential buyer to contact Bright from the Start so the new organization can be informed of the process and incur as little delay in approval as possible.

Organizations that are changing ownership must complete the Voluntary Closure Form and indicate the date of sale of the center. Organizations may not claim reimbursement after the date of sale. New organizations may not claim reimbursement under the previous owner's Agreement. Doing so may result in a designation of serious deficiency and termination of current or future participation. Refer to Bright from the Start Policy #19 for more information.

Chapter 4

Income Eligibility Determinations

To operate the CACFP, organizations agree to determine each enrolled child's eligibility for free, reduced price, or paid meal categories, unless they choose to claim all meals at the paid reimbursement rate. Reimbursements paid to centers are based on the types of meals served and the number of enrolled children who meet each of the eligibility categories. Determinations of meal categories are made through Income Eligibility Statements (IES), which are also known as income eligibility applications. The statement must be completed, signed, and submitted by the child's parent, guardian, or other household adult. The eligibility information will then be placed on the current roster.

Income Eligibility Statements

When free and reduced price reimbursements will be claimed, individual eligibility information must be collected for all enrolled children at least once a year. Income eligibility information must be obtained on the income eligibility statement issued by Bright from the Start with certain exceptions. Organizations that operate Head Start and Even Start Programs are not required to have an IES for participants who qualify for Head Start/Even Start based on their income. Institutions should have documentation that children are enrolled as Head Start and Even Start participants. The following documentation is acceptable to verify categorical eligibility:

- an approved Head Start/Even Start application for the child's family;
- statement of enrollment in Head Start/Even Start; or
- a list of children participating in Head Start/Even Start.

For Head Start or Even Start participants that are over the income limits for these programs, income determinations on the Bright from the Start income eligibility statement must be obtained.

Homeless/emergency shelters and facilities operating the "At Risk" After School Care Snack Program (ASCS) do not have to collect eligibility information since all children are automatically placed in the free category.

Income Eligibility Form Completion

In Part 1 of the IES form, the adult should list the name or names of the children participating in the program. If there are multiple children, a parent/guardian may fill out a separate form for each child or fill out one form, and the center can make a copy for each additional child. The center must have a separate form on file for each child, and if there are copies made for a family, at least one needs to have an original signature.

Part 2a -An enrolled child who is a member of a food stamp, Temporary Aid to Needy Families (TANF), or Food Distribution Program on Indian Reservations (FDPIR) assistance unit is considered categorically eligible for free meals. The household does not have to provide size and income information but only has to provide the food stamp, TANF, or FDPIR number in Part 2a of the signed eligibility statement. A valid case number may be either an Assistance Unit (AU) number or a Client ID number. Both numbers are typically nine-digit numbers. Occasionally, an Assistance Unit number will be assigned that consists of five zeros and four succeeding numbers. The AU member may not

be aware of the zeros and report only the last four digits of the AU number. See the example below. Therefore, when reviewing Income Eligibility Statements, a valid case number will either be nine or four digits long. The EBT number (number on the card used to make purchases) is not an acceptable number. If a sixteen-digit number is reported on the IES, have the household member review their paperwork and report the AU or Client ID number, or the IES will have to be determined in the Paid category.

AU Number: 00000 4362 ← Four digits
Client Number: 400052358

Part 2b - For enrolled children, except those meeting the categorical criteria listed above, foster children, and certain Head Start and Even Start participants, “**income**” that should be listed in Part 2b on the IES includes the household’s gross earnings, wages, pension, and support payments, unemployment compensation, social security, and additional cash received or withdrawn from any other sources, including savings, investments, trust accounts, and other resources.

Part 2c - A foster child, who remains the legal responsibility of the welfare or social services agency, or court, is considered a household of one. Only his or her personal earnings, gifts, and funds provided by the public authority or other source such as a job or trust fund that are identified specifically for the child’s personal use, must be reported. Part 2a or 2b would not be completed but Part 2c would be used. It should be completed for each foster child separately, regardless if siblings reside in the same foster home. A foster child that has “zero” income may be approved for a full year. This IES is not considered a “zero income” statement needing follow-up in 45 days (see income eligibility expiration section below).

Part 3a of the IES allows the organization to meet the requirement for obtaining annual enrollment information on children. Refer to the section on annual enrollment information below for more information.

In order for the IES to be considered in the free or reduced meal category, it must be signed by an adult household member – the child’s parent, guardian, or other adult – and the social security number of that adult (or an indication that he or she does not have a number) must be provided in Part 3b. The social security number is not needed when the family is categorically eligible or the statement is for a foster child. Refer to the instructions on the back of the IES for detailed information.

Part 4 asks for Racial/Ethnic information for the child. This section is not required and will not effect the eligibility classification of the child. It is however, helpful in the collection of racial data for the organization for the application.

The bottom of the IES labeled “For Institution Use Only” must be completed by the organization in order for the IES to be considered complete. The person making the eligibility determination, who must be an employee of the

Income Eligibility Determinations

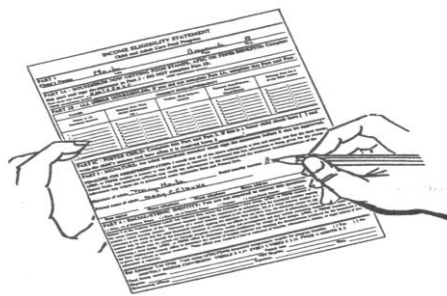
organization, must sign the form. Since income eligibility information is confidential, careful consideration should be given to the assignment of the person making eligibility determinations.

The information submitted by each child's household is compared to the U.S. Department of Agriculture (USDA) income eligibility guidelines in order to determine the enrollee's eligibility. USDA's annually provided income and household size guidelines are the same as those used for determining eligibility under the National School Lunch and School Breakfast Programs. The income guidelines are updated each year effective July 1st.

The **free meal** category is for a child whose household size and gross income are at or below the eligibility level for free meals according to the current guidelines; or those who are categorically eligible i.e. receives food stamp, TANF, or FDPIR benefits.

The **reduced price meal** category is for a child whose household size and gross income do not meet the requirements for free meals, but is at or below the eligibility level for reduced price meals according to the current income eligibility guidelines. Any separate charge imposed shall be less than the full price of the meal, but in no case more than 40 cents for a lunch or supper, 30 cents for a breakfast, and 15 cents for a supplement, and for which neither the participant nor any member of his family is required to work in the food service program.

The **paid meal** category is for any child whose household gross income exceeds the eligibility guidelines for free or reduced price meals, or who is not a member of a food stamp, TANF, or FDPIR household. Enrollees for whom no income eligibility statement (or an incomplete and uncorrected statement) has been submitted are also placed in the paid category.



Income Eligibility Expiration

Income Eligibility Statements are only valid for one year from the date that the statement is signed by the adult household member. After that time the eligibility statement is no longer valid unless a new form is completed and approved. Changes in household income do not have to be reported or a new statement completed until the one-year expiration of the initial statement. The organization must develop a system to obtain statements either as each statement expires, or for all participants at least once a year. All statements that are not current should be placed in the paid category until a new and current statement is received.

If a household claims zero income on the statement, the participant is approved in the free eligibility category for a maximum of 45 days. Before the end of the 45-day period, the household information must be updated on the statement. It is not necessary to complete a new statement if nothing has changed. If the household income is still zero, the responsible official at the institution can update the statement by documenting the contact with the household indicating the person contacted, the date, and the representative making the contact. The statement must then be updated again in another 45 days with a contact by the representative of the institution. This should continue each 45 days until income information has changed which would require a new statement or until the new form must be completed at the one-year expiration.

Annual Enrollment Information

Organizations should be aware that per the CACFP regulations, 7 Code of Federal Regulations (CFR) 226.15(e)(2), annual enrollment information is required for all child care centers except outside school hours, at risk after school care centers, and emergency shelters effective April 2005. Because the income eligibility statement is valid for only one year, Bright from the Start added the enrollment information to the IES form in Part 3a since to obtain the enrollment information on the IES is an efficient means of meeting both income and enrollment requirements annually. Keep in mind; if Part 3a is not completed but the rest of the IES is completed correctly, the IES is still valid for eligibility determination.

Organizations should encourage all households to complete the IES, but if the household refuses to complete the income section, the organization should at a minimum attempt to have the household complete the enrollment information in Part 3a. If an IES with Part 3a completed cannot be obtained from the household, or the organization chooses not to use the IES to obtain enrollment information, it is the responsibility of the organization to ensure that annually updated enrollment information is on file for each child (for those types of centers that are required to complete this information). Any alternate form, such as the Parental Agreement used by licensing in the enrollment package, must contain the information required at 7 CFR 226.15(e)(2) and must be annually updated and signed by the household member.

Overt Identification Prohibition

CACFP rules require that there be no obvious identification of free and reduced price recipients that would cause embarrassment to any child. Therefore, the information submitted on the income eligibility statements and roster concerning the free and reduced price eligibility status of each child is **confidential**. In addition, center officials who operate pricing programs must be careful not to overtly identify any children at the time of payment during meal service periods, or to “outsiders” at any time.

Chapter 5

Meal Patterns and Food Service

This chapter sets forth the meal patterns required by the regulations and provides food service suggestions for child care centers participating in the CACFP.

Approved Meal Types

Only the meal types specified in the organization's site application that are served in compliance with the meal pattern requirements may be claimed for reimbursement. Under the Program, independent and sponsored centers providing regular day care services can be approved to serve, and claim for reimbursement, a daily maximum of two meals (breakfast and/or lunch and/or supper) and one supplement (snack), or two snacks and one meal, to each enrolled child in attendance. **Emergency shelters** can be approved to serve, and claim for reimbursement, up to three meals or two meals and one snack. The local center or sponsor can select and implement the styles or methods of preparation and food service best suited to the needs of the enrolled children.

Meals in Outside-School-Hours Centers

Outside-school-hours care centers (before and after school programs) can be approved to serve one or more of the following meal types: breakfast, snack, or supper. In addition, such centers may be approved to serve lunch to enrolled school-age children during periods of school vacation, including weekends, holidays and the summer break and to enrolled children attending schools which do not offer a lunch program. Such centers, however, cannot be approved to operate the CACFP on weekends only.

Family Style Meal Service

Meals may be served in a family style setting. Children enrolled in day care may welcome this method and feel most comfortable when the center chooses to implement such service. Unlike cafeteria lines, unitized meals, and preset service methods, family style meal service can enhance young children's acceptability of offered foods, and affords the children latitude in the size of initial servings because replenishment is immediately available at each table. Meals served in compliance with the following practices are eligible for reimbursement:

- A sufficient amount of prepared food must be placed on each table to provide the full-required portions of each of the food components for all children at the table, and to accommodate the supervising adult.
- Every child should initially be offered and encouraged to take the full portion of each meal component required for his or her age group.
- If a child initially refuses a component or does not take the full portion size required for his or her age, the supervising adult is responsible to actively encourage the child to at least take a trial portion, or offer a second helping of the food component during the course of the meal.

Bright from the Start Family Style Meal Service Policy Memo dated 3/6/02 provides additional guidance on this practice.

Meal Patterns

The following meal pattern charts set forth the food components required for each reimbursable CACFP meal with the minimum required portion sizes by age.

Infants Meal Pattern for Breakfast

Birth Through 3 Months	4 Through 7 Months	8 Through 11 Months
4-6 fl.oz. formula ¹ or breast milk ^{2,3}	4-8 fl.oz. formula ¹ or breast milk, ^{2,3} 0-3 Tbsp. infant cereal ^{1,4}	6-8 fl.oz. formula ¹ or breast milk ^{2,3} and 2-4 Tbsp. infant cereal, ¹ and 1-4 Tbsp. fruit and/or vegetable

¹ Infant formula and dry infant cereal shall be iron-fortified.

² It is recommended that breast milk be served in place of formula from birth through 11 months.

³ For some breastfed infants who regularly consume less than the minimum amount of breast milk per feeding, a serving of less than the minimum amount of breast milk may be offered, with additional breast milk offered if the infant is still hungry.

⁴ A serving of this component shall be optional if it is not developmentally appropriate for the infant.

Infant Meal Pattern for Lunch or Supper

Birth Through 3 Months	4 Through 7 Months	8 Through 11 Months
4-6 fl.oz. formula ¹ or breast milk ^{2,3}	4-8 fl.oz. formula ¹ or breast milk, ^{2,3} 0-3 Tbsp. infant cereal ^{1,4} 0-3 Tbsp. fruit and/or vegetable ⁴	6-8 fl.oz. formula ¹ or breast milk ^{2,3} and 2-4 Tbsp. infant cereal, ¹ and 1-4 Tbsp. fruit and/or vegetable 1-4 Tbsp. meat, fish, poultry, egg yolk, cooked dry beans, or peas; or ½-2 oz. cheese; or 1-4 Tbsp. cottage cheese, cheese food, or cheese spread

¹ Infant formula and dry infant cereal shall be iron-fortified.

² It is recommended that breast milk be served in place of formula from birth through 11 months.

³ For some breastfed infants who regularly consume less than the minimum amount of breast milk per feeding, a serving of less than the minimum amount of breast milk may be offered, with additional breast milk offered if the infant is still hungry.

⁴ A serving of this component shall be optional if it is not developmentally appropriate for the infant.

Infant Meal Pattern for Snack



Birth Through 3 Months	4 Through 7 Months	8 Through 11 Months
4-6 fl.oz. formula ¹ or breast milk ^{2,3}	4-6 fl.oz. formula ¹ or breast milk ^{2,3}	2-4 fl.oz. formula ¹ , breast milk ^{2,3} , or fruit juice ⁵ ; 0-½ bread ^{4,6} or 0-2 crackers ^{4,6}

¹ Infant formula and dry infant cereal shall be iron-fortified.

² It is recommended that breast milk be served in place of formula from birth through 11 months.

³ For some breastfed infants who regularly consume less than the minimum amount of breast milk per feeding, a serving of less than the minimum amount of breast milk may be offered, with additional breast milk offered if the infant is still hungry.

⁴ A serving of this component shall be optional if it is not developmentally appropriate for the infant.

⁵ Fruit juice shall be full-strength.

⁶ Bread and bread alternates shall be made from whole-grain or enriched meal or flour.

The publication “Feeding Infants, A Guide for Use in the Child Care Food Program” is available for download from the following website: http://www.fns.usda.gov/tn/Resources/feeding_infants.html. This publication provides information on breastfeeding, introducing solid foods, sanitation, food preparation, and food handling.

In order to be reimbursed for infant meals, the provider must at a minimum follow these rules:

- On the application, check that the center will be serving infant meals.
- The center must offer to serve meals to all enrolled infants. The center cannot exclude infants from the roster and meal service. Meals containing only breast milk (per the meal pattern) are reimbursable if the mother provides the bottles.
- Meals containing milk (instead of breast milk or formula) cannot be claimed for infants.
- For any meal that only contains formula (per the meal pattern) the center can claim the meal even if the parent provides the formula.
- If the center provides at least one additional component of the meal pattern, the center can claim a meal even if the parent provides the formula.

Bright from the Start memoranda on infant meals should be referenced for more information.

Breakfast Meal Pattern for Children Ages 1 Through 12

COMPONENTS	Ages 1 and 2	Ages 3 through 5	Ages 6 through 12 ¹
Milk Milk, fluid	½ cup ²	¾ cup	1 cup
Vegetables and Fruits Vegetable(s) and/or fruit(s) or Full-strength fruit or vegetable juice or An equivalent quantity of any combination of the above	¼ cup	½ cup	½ cup
Bread and Bread Alternates ³ Bread or Cornbread, biscuits, rolls, muffins, etc. or Cold dry cereal ⁴ or Cooked cereal or Cooked pasta or noodle products or Cooked cereal grains or An equivalent quantity of any combination of bread and bread alternates	½ slice ½ serving ¼ cup or 1/3 oz. ¼ cup ¼ cup ¼ cup	½ slice ½ serving 1/3 cup or ½ oz. ¼ cup ¼ cup ¼ cup	1 slice 1 serving ¾ cup or 1 oz. ½ cup ½ cup ½ cup

Note: Indicated endnotes can be found at the end of all Meal Patterns for Children.



Snack Meal Pattern for Children Ages 1 Through 12

COMPONENTS (Serve two food items selected from any two of these four components)	Ages 1 and 2	Ages 3 through 5	Ages 6 through 12 ¹
Milk Milk, fluid	½ cup ²	½ cup	1 cup
Vegetables and Fruits Vegetable(s) and/or fruit(s) or Full-strength fruit or vegetable juice or An equivalent quantity of any combination of the above (Juice may not be served when milk is the only other component)	½ cup	½ cup	¾ cup
Bread and Bread Alternates³ Bread or Cornbread, biscuits, rolls, muffins, etc. or Cold dry cereal ⁴ or Cooked cereal or Cooked pasta or noodle products or Cooked cereal grains or An equivalent quantity of any combination of bread and bread alternates	½ slice ½ serving ¼ cup or 1/3 oz. ¼ cup ¼ cup ¼ cup	½ slice ½ serving 1/3 cup or ½ oz. ¼ cup ¼ cup ¼ cup	1 slice 1 serving ¾ cup or 1 oz. ½ cup ½ cup ½ cup
Meat and Meat Alternates Lean meat or poultry or fish ⁵ or Cheese or Eggs or Cooked dry beans or peas or Peanut butter or soynut butter or other nut or seed butters or Peanuts or soynuts or tree nuts or seeds or Yogurt, plain or sweetened and flavored, or An equivalent quantity of any combination of the above meat and meat alternates	½ oz. ½ oz. ½ egg 1/8 cup 1 tbsp. ½ oz. 2 oz. or ¼ cup	½ oz. ½ oz. ½ egg 1/8 cup 1 tbsp. ½ oz. 2 oz. or ¼ cup	1 oz. 1 oz. 1 egg ¼ cup 2 tbsp. 1 oz. 4 oz. or ½ cup

Note: Indicated endnotes can be found at the end of all Meal Patterns for Children.



Lunch or Supper Meal Pattern for Children Ages 1 Through 12

COMPONENTS	Ages 1 and 2	Ages 3 through 5	Ages 6 through 12 ¹
Milk Milk, fluid	½ cup ²	¾ cup	1 cup
Vegetables and Fruits⁷ Vegetable(s) and/or fruit(s)	¼ cup total	½ cup total	¾ cup total
Bread and Bread Alternates³ Bread or Cornbread, biscuits, rolls, muffins, etc. or Cooked pasta or noodle products or Cooked cereal grains or An equivalent quantity of any combination of bread and bread alternates	½ slice ½ serving ¼ cup ¼ cup	½ slice ½ serving ¼ cup ¼ cup	1 slice 1 serving ½ cup ½ cup
Meat and Meat Alternates Lean meat or poultry or fish ⁵ or Cheese or Eggs or Cooked dry beans or peas or Peanut butter or soynut butter or other nut or seed butters or Peanuts or soynuts or tree nuts or seeds ⁶ or An equivalent quantity of any combination of the above meat and meat alternates	1 oz. 1 oz. 1 egg ¼ cup 2 tbsp. ½ oz. ⁸ = 50%	1 ½ oz. 1 ½ oz. 1 egg ¾ cup 3 tbsp. ½ oz. ⁸ = 50%	2 oz. 2 oz. 1 egg ½ cup 4 tbsp. 1 oz. ⁸ = 50%

Endnotes

1. While children age 12 and up may be served larger portions based on their development and greater food needs, they must be served the minimum quantities specified in this section for children ages 6 through 12.
2. For the purposes of the requirements, a cup means a standard measuring cup.
3. Bread, pasta or noodle products, and cereal grains must be wholegrain or enriched; cornbread, biscuits, rolls, muffins, etc., must be made with wholegrain or enriched meal or flour; cereal must be wholegrain or enriched or fortified.
4. Either volume (cup) or weight (ounce), whichever is less.
5. Edible portion as served.
6. Tree nuts and seeds that may be used as meat alternates are listed in Program Aid 1331, Food Buying Guide for Child Nutrition Programs (1984, 1990 – Supplements Added 1993).
7. Serve two or more kinds of vegetable(s) and/or fruit(s). Full-strength vegetable or fruit juice may be counted to meet not more than one-half of this requirement.
8. No more than 50 percent of the requirement shall be met with nuts or seeds. Nuts or seeds must be combined with another meat/meat alternate to fulfill the requirement. For the purpose of determining combinations, 1 ounce of nuts or seeds is equal to 1 ounce of cooked lean meat, poultry, or fish.

Variations/ Substitutions

In certain instances the Food and Nutrition Services national office may grant approval through Bright from the Start for variations in the food components. Centers may request such approval when evidence is provided that shows that the variations are nutritionally sound and are necessary to meet ethnic, religious, economic, or physical needs. In addition, substitutions **may** be made in the meal patterns without such approval for an individual child with special medical or dietary needs, if a supporting statement signed by a recognized medical authority is on file. The statement must specify how the child's diet is restricted and which foods, provided by the center or parent, can be substituted.

Centers are **required** to make substitutions or modifications in the meal patterns for children who are unable to consume Program meals due to a mental or physical disability that limits one or more major life activity. A signed statement obtained from a licensed physician certifying and explaining why the disability restricts the child's diet; providing lists of foods to be avoided; choices of foods that **must be** substituted; and other medically necessary modifications must be maintained at the center or sponsoring organization.

Substitutions for religious reasons can be accommodated when there is evidence that the substitution is necessary to meet religious needs. FNS Instruction 783-13 Variations in Meal Requirements for Religious Reasons: Jewish Schools, Institutions, and Sponsors, and FNS Instruction 783-14 Variations in Meal Requirements for Religious Reasons: Seventh Day Adventist Schools and Institutions address these issues.

Meal Service Times

Centers should serve meals at times considered appropriate for the type of meal being served. There are no restrictions on time of service except for the service of the supper. Suppers may not be served prior to 5 PM.

Meal Preparation Systems

The best system of meal preparation for a given center will depend upon such factors as the type of menu desired; the availability of food service equipment, space, and personnel; and the budget of the organization. Following are several types of meal preparation systems utilized in day care centers:

Onsite (Self-Prep)

Onsite preparation or "self-prep" is the most commonly used system in child care centers. The meals are prepared at the same location where they are to be served. This is usually the most economical method when the center has a kitchen, sufficient food preparation equipment, and available staff. All or part of the food may be prepared onsite and the remainder purchased from an outside source, such as a school, hospital, or commercial vendor.

Central Kitchen

A multi-center sponsoring organization that only has one center with a kitchen may want to prepare all meals at that central kitchen. The sponsoring organization would arrange to transport meals from the central kitchen and deliver them to its other sponsored facilities. When transporting meals, equipment would be needed to keep both hot and cold foods at the temperature levels required under State or local health laws.

Purchasing from a School Food Authority

Meals may be purchased either in bulk or as unitized meals from a school food authority that operates its own food service. While competitive procurement procedures are not required to do so, the center or sponsor must enter a written agreement (Bright from the Start has a sample agreement in the Procurement Manual) with the school food authority that includes the CACFP meal patterns and basic Program requirements. If a food service management company under contract operates the school food service, procedures in the following paragraph are applicable.

Purchasing from a Food Service Management Company (FSMC)

Food service management companies prepare and deliver complete unitized meals or meal components in bulk. An independent center or sponsor wishing to purchase its meals from a FSMC must follow competitive procurement procedures to obtain services.

The Bright from the Start Procurement Manual, which outlines regulations and requirements regarding the procurement process, must be thoroughly reviewed when an organization intends to use a Food Service Management Company. If a proper procurement process is not conducted, CACFP reimbursement cannot be used to pay for the vendor. Therefore, organizations that must conduct a formal procurement should review the manual and consult with Bright from the Start prior to the process to ensure that the proper steps are followed to be in compliance with the regulations. Organizations must use the prototype Invitation for Bid/Contract furnished by Bright from the Start when using a FSMC. The Invitation for Bid/Contract can be found on the CNP 2000 website under “Frequently Used Forms.” The Bright from the Start Procurement Manual can be found on the Bright from the Start website.

Signing the meal contract with a FSMC does not relieve the center or sponsor of its Program responsibilities for managing, monitoring, and recordkeeping. A copy of the signed contract must be submitted to Bright from the Start before Program operations can begin under the contract. Upon review of the contract, the organization may be required to submit additional supporting documentation. All aspects of the procurement process must be properly documented.

Purchasing from a Commercial Vendor

Commercial vendors are public organizations, private commercial enterprises, or individuals that supply nonfood items or individual food items but not complete meals. The organization must make sure it is always in compliance with procurement regulations when using a vendor.

An organization that contracts with a food service management company or commercial vendor should be aware of and comply with applicable State or local laws and the Federal procurement standards.

7 Code of Federal Regulations Parts 226, 3016 and 3019 provide the program regulations and general management rules for procuring services, supplies, and

other property. Depending on the type of organization, the institution follows the management rules that pertain to the institution.

See the chart below to determine which regulations, management, and cost rules apply to your institution.

Federal Grants Management Rules

TYPE OF ORGANIZATION	PROGRAM REGULATIONS	GENERAL MANAGEMENT RULES	PROCUREMENT RULES	ALLOWABLE COST RULES
Public Institutions (Governments)	Part 226	Part 3016	Sections 3016.36(b) – (i), 3016.60 2/, 3/	OMB Circular A-87, FNS Inst. 796-2
Private Non-Profit Institutions	Part 226	Part 3019	Sections 3019.40 – 48	OMB Circular A-122, FNS Inst. 796-2
For-Profit Institutions	Part 226	Part 226	Section 226.22	Federal Acquisition Regulation (48 CFR Part 31), FNS Inst. 796-2

In many cases, only purchases over \$100,000 will need to be formally procured. However, institutions using their own, the local, or the state guidelines must follow their guidelines for small purchase thresholds. In addition, private for-profit institutions must follow the management rules under 7 CFR Part 226 which indicate a formal bid process for purchases over \$10,000.

The procurement standards apply to any contract whether it is for meals, food items, supplies, equipment, or other related services. When contracting for these items, the applicable management rules should be consulted and the Bright from the Start Procurement Manual should be thoroughly reviewed. It's recommended that organizations consult with Bright from the Start staff prior to conducting any formal procurement process.

Nutrition Education

A child care center is often the first out-of-home experience for infants and young children. Many parents, when choosing day care, look for a center with a structured program where staff is likely to be knowledgeable in early childhood education and training. Meals served family style in the center represent one of the best opportunities to introduce foods to children and to reinforce and expand good eating behaviors started by parents. Day care also provides the opportunity to teach young children healthy lifetime eating habits by providing nutritious meals and snacks and incorporating age-appropriate nutrition education activities in the daily schedule. It also provides opportunity to impart nutrition education information to parents through their children and their drop-in visits to the center.

In addition to their own knowledge and creativity, there are many available resources that can assist center directors and caregivers in teaching nutrition and nutrition concepts to participating children and their parents. Audio-visual and printed materials are available through the Food and Nutrition Information

Center, The National Food Service Management Institute, and other organizations. See the FNS website at <http://www.fns.usda.gov/cnd> for some of these materials as well as others.

Chapter 6

Program Payments

Reimbursement

Under CACFP legislation and regulations, the State-administering agency can choose between the following methods for reimbursing independent centers and sponsoring organizations of centers:

- computed reimbursement using applied rates; **or**
- the center's/sponsor's documented costs incurred for both administering and operating its meal service, (unless the computed reimbursement is less).

Bright from the Start uses computed reimbursement and this method applies to **all** participating centers and sponsors of centers in the State. Reimbursement is based on the number of meals served and the current reimbursement rates. Therefore, no "extra" money is given for organizations to pay for labor, equipment, or administrative costs. The reimbursement received must be used to pay for any costs incurred, although it's not likely to cover all the costs of the food service operation. The organization is expected to pay for additional costs from other funds.

Computing Reimbursement

Regulations provide three methods for computing reimbursement:

- claiming percentages;
- blended per meal rate; or
- total monthly counts of the actual number of meals by type served each day to children eligible for free, reduced price, and paid meals.

The claiming percentages and blended per meal rate methods for computing reimbursement are intended to simplify the task of developing and preparing the monthly claim for reimbursement. By using either of these methods, daily meal counts by type do not have to be maintained for each income category (free, reduced price, and paid). It is only necessary to keep count of total meals served by meal type. **Bright from the Start uses claiming percentages for reimbursement.**

Reimbursement rates for meals served in the CACFP are annually adjusted to reflect Consumer Price Index changes. The reimbursement rates are updated every July 1st. Bright from the Start will notify participating organizations of changes in the rate. The reimbursement rates will also be placed on the Bright from the Start website at www.decal.state.ga.us.

The following computation example shows how the claiming percentages formula is used to determine the reimbursement that would be received by an institution. The reimbursement rates listed should be viewed only as guides because as stated previously, the reimbursement rates are updated each year. The currently applicable reimbursement rates should be substituted when computing a center's potential reimbursement.

Claiming Percentages

When reimbursement is calculated on the basis of claiming percentages, the following general formula is used:

$$\begin{array}{c} \text{Number eligible for free OR reduced price OR paid meals} \\ \div \\ \text{Total enrollment} \\ = \\ \text{Claiming \% for that category} \\ \times \\ \text{Total number of meals (breakfast, lunch, supper, or snack)} \\ \text{by type, served during the month} \\ \times \\ \text{Reimbursement rate} \end{array}$$

Following is a step-by-step example of how to calculate a claim (**lunches only**) using the claiming percentage method of reimbursement.

Example:

50 children are enrolled in a center.

30 are eligible for the free reimbursement rate;

5 are eligible for the reduced price reimbursement rate; and

15 are eligible for the paid reimbursement rate.

1000 **lunches** are served during the month

Step #1

Compute claiming percentage for each eligible category.

30 free ÷ 50 enrolled = 60% of total enrollment

5 reduced price ÷ 50 enrolled = 10% of total enrollment

15 paid ÷ 50 enrolled = 30% of total enrollment

Step #2

Percentages (60% free, 10% reduced price, 30% paid) are converted to decimals (.60, .10, .30), then multiplied by the total number of lunches served during the claim month (1000).

1000 × .60 = 600 free meals

1000 × .10 = 100 reduced price meals

1000 × .30 = 300 paid meals

Step #3

Meals are multiplied by the currently appropriate rates (free = \$2.4125, reduced price = \$2.0125, paid = \$.3825)

600 free meals × \$2.4125 = \$1447.50

100 reduced price meals × \$2.0125 = \$201.25

300 paid meals × \$.3825 = \$114.75

Step #4

The totals are added together to obtain the center's total claim for reimbursement for lunches served during that month.

\$1447.50 for free lunches served

201.25 for reduced price lunches served

+ 114.75 for paid lunches served

\$1763.50 = maximum monthly reimbursement for lunches

The projected reimbursement worksheet that is part of the budget package can be used by an organization to determine their estimated reimbursement.

Commodities or Cash-in-lieu of Commodities

In addition to cash reimbursement for meals, USDA offers participating child care centers entitlement commodities, or cash-in-lieu of commodities at an annually adjusted per meal rate for each lunch and supper served.

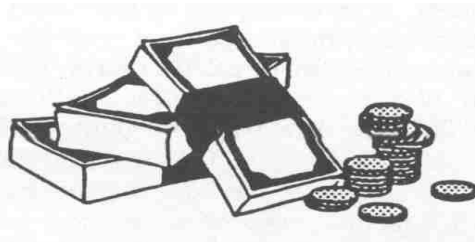
Commodities are foods that USDA acquires through subsidy programs or purchases in large quantities. In the State of Georgia, commodities are not available, therefore, a payment at the current year's commodity entitlement rate for each lunch and supper served will be made in addition to per meal cash reimbursements. The cash-in-lieu value is reflected in the reimbursement rates distributed by Bright from the Start. However, on the claim reimbursement statement and recap screen on CNP 2000, the cash-in-lieu value is noted separately from the meal reimbursement rate.

Claims for Reimbursement

All organizations must submit to Bright from the Start accurate monthly reports on the total number of meals served. These monthly reports are called Claims for Reimbursement and a separate claim must be submitted for each claim month. Claims for reimbursement should be submitted to Bright from the Start as early as possible following the last day of the month covered by the claim.

Claim Deadlines

Bright from the Start CACFP Policy 15 requires that Bright from the Start original claim be received at Bright from the Start no later than 30 days after the end of the month being claimed. USDA regulations allow a claim submission up to 60 days after the end of a claim month. Bright from the Start cannot pay claims submitted beyond 60 days after the claim month, except if a one-time exemption is requested by the organization and granted by Bright from the Start. A one-time exception may be granted once every 36 months. Refer to CACFP Policy 2 for information on submitting a one-time exception.



Claim Submission via Internet

Bright from the Start requires that all organizations submit their claim for reimbursement via CNP 2000, the database used by the Nutrition Division within Bright from the Start. In order to access the claim form on CNP 2000,

the organization is issued user names and passwords for the database after application approval. A user manual on the use of CNP 2000 is given to each organization and is also available on the Bright from the Start website.

The system has edit checks that require certain information to be submitted in order to file the claim. If the organization encounters problems with the claim submission, or is not able to determine how to clear up errors, the claim department within Bright from the Start should be contacted.

All records to support the claim for reimbursement must be maintained for the Federal record retention period, of 3 years plus the current year. Chapter 8, Recordkeeping, includes information on the records needed to support the claim for reimbursement.

Claim Processing and Distribution

Bright from the Start is allowed by regulations to take up to 45 days to pay all valid reimbursement claims. However, Bright from the Start's procedure is to pay claims once a week. If a claim is submitted via CNP 2000 after the claims have been processed for the week, the claim will be processed the following week. All claims are paid through electronic funds transfer. It may take up to 10 days for the reimbursement to be available at the center's financial institution from the date the claim is processed by Bright from the Start.

Because CNP 2000 will not allow submission of an incomplete claim, all claim errors must be cleared before the claim can be submitted. If any errors are found after Bright from the Start receives the claim, the organization will be notified within 15 days on how the claim can be corrected. If all or part of the claim is disallowed, Bright from the Start will advise the center or sponsor of the reason and provide an opportunity to appeal the decision under the fair hearing procedure.

A sponsoring organization is required to distribute reimbursement to each facility under its sponsorship within 5 working days after receiving the funds from Bright from the Start.

For Profit Center Claim Submission

An approved proprietary (for-profit) center can claim and be reimbursed only for meals served in those months when 25 percent of the enrolled children, or licensed capacity, whichever is less, are Title XX/Pre-K Cat. 1 beneficiaries or if the center does not qualify based on Title XX/Pre-K Cat. 1, then the center must qualify based on 25 percent of the enrolled children or licensed capacity, whichever is less, qualifying for Free and/or Reduced Price meals. Independent proprietary centers and sponsoring organizations of such centers must include on their claim form the number of children receiving Title XX/Pre-K Cat. 1 benefits or F/RP eligibility during each month for which reimbursement is claimed.

Bright from the Start's Policy #13 requires that an organization first use Title XX and/or Pre-K Cat. 1 children to qualify before moving to the Free and Reduced Priced Meal Eligibility.

Meals in Excess of Capacity/Shift Meal Service

Bright from the Start cannot reimburse for meals served to children in excess of the licensed or authorized capacity of each center. However, if the center serves

meals to children in shifts (for example, if a meal type is served at two different times during a day to two different groups of children), and does not violate the authorized capacity during each shift, reimbursement for the meals is allowed. Centers that serve meals in shifts must maintain attendance records that verify that the licensed capacity is not exceeded

Reimbursement for Food Provided by Parents

The basic premise of the CACFP is to reimburse participating centers and sponsors for costs associated with providing wholesome, nutritious meals to children. If costs are not incurred, then reimbursement is not paid. When children supply their own food, such meals are not reimbursable. If it is necessary for a parent to furnish a particular food item for medical or special dietary reasons, the meal may still be claimed for reimbursement if the center supplies at least one required meal component. Substituted food items must be fully documented and approved. (See Chapter 5, Variations/Substitutions).

Examples of allowable substantiated medical substitutions by parents include:

- infant formulas that do not meet the Food and Drug Administration definition for iron-fortified infant formula,
- a substitute required by an allergic reaction to milk, and
- rice crackers instead of bread for children with a wheat absorption problem.

An exception to the center providing at least one component occurs when parents supply breast milk, or formula per the infant meal pattern and the center staff feed the child (See Chapter 5, Infant Meal Pattern Charts and Bright from the Start Infant Meal Memoranda for reimbursement guidance.)

Meals that Cannot be Claimed

Meals that cannot be claimed for reimbursement are:

- meals served to any child who is not enrolled for care in the center;
- meals served in excess of the licensed or authorized capacity of each center;
- meal types not approved in the center's or sponsor's application;
- meals served that are in excess of the two meals and a snack (or one meal and two snacks) claimed daily for each enrolled child (three meals for emergency shelters);
- meals that do not meet the meal pattern requirements; and
- meals served at a for-profit center during any calendar month when either the 25% Title XX or F/RP requirement has not been met.

Other Federal Funding

Meal service funds may also be available to independent centers and sponsors of centers participating in the CACFP from other Federal sources. For instance, the U.S. Department of Health and Human Services (DHHS) provides some funding for meal service costs as a budget line item to Head Start grantees. Also, both appropriated and nonappropriated military funds are made available under U.S. Department of Defense (DOD) rules for meal costs in child care facilities on military installations. Emergency shelters may receive grants through FEMA's Emergency Food and Shelter Program (EFSP), or HUD's Emergency Shelter Grant Program. CACFP funding is, however, primary in all cases and must be used first to cover food service costs. When participating centers and sponsors claim and receive CACFP reimbursement for meals, funding from DHHS, DOD, FEMA, HUD, or similar Federal sources can only be used to cover those meal service costs that are not funded by the U.S.

Department of Agriculture. Additionally, centers are allowed to purchase food from food banks for use in the CACFP.

Chapter 7

Administrative Requirements

Training

Bright from the Start provides a monthly program training class for new staff of organizations and those organizations wishing to apply for the program. The training covers CACFP rules and regulations, nutrition education and dietary guidelines, meal pattern requirements, menu planning, recordkeeping, application and claims procedures, food service operations, and financial management. While the training is two days in length, it's not possible to review all the program regulations, policies, and guidance available. At the training the new organization will be provided with a CD, which will contain the Program regulations, Bright from the Start policies, manuals, handbooks, and applicable guidance material. It is the organization's responsibility to review the material provided to ensure compliance with Program requirements. If technical assistance is needed, the organization should contact their Nutrition Consultant or staff at the Nutrition Division.

All organizations participating on the CACFP are required to participate in annual training provided by Bright from the Start. Unless training is completed, organizations will not be able to continue participation. The Program Contact for the organization is always required to participate in the mandatory annual training, but when space is available, other staff may attend as well.

Bright from the Start also conducts quarterly training. This training is typically not mandatory, but provided to assist organizations in their operation of the Program. If training is mandatory, organizations will be notified that attendance is required. Refer to Bright from the Start CACFP policy #20 for more information on training requirements.

Currently participating organizations register for any type of CACFP training via CNP 2000. Organizations not currently participating on CACFP can contact the Bright from the Start office in order to register for program training.

Review of Institutions

Bright from the Start staff can conduct a review of an organization at any time, but will always review CACFP operations in participating independent centers and sponsoring organizations according to the following schedule:

- A review will be conducted on all new institutions within 90 days of operation of the CACFP;
- A one-year review will be conducted within one year of operation of the CACFP;
- A three-year review* is conducted within three years of the completion of the one year review, and every three years thereafter;
- Reviews will be conducted as a result of a complaint received;
- Follow-up reviews are conducted, based on the seriousness and frequency of the finding, anytime program irregularities are found during a previous review.

*Sponsoring organizations with more than 100 centers will be reviewed every two years, rather than three.

All records relating to operations of the Program will be reviewed to ensure that reimbursements received were proper and reflect benefits provided to all participating children, program reimbursement is properly accounted for and spent only on allowable costs as indicated in FNS Instruction 796-2, and to ensure all other Program requirements are met. The review of a sponsoring organization's program includes, at a minimum, an on-site review of CACFP operations in typically 5 to 10 percent of sponsored centers, depending on the number sponsored.

Agreed Upon Procedure Reviews

In addition to reviews, independent centers and sponsors are subject to Agreed Upon Procedure reviews. Bright from the Start contracts with an outside accounting firm to conduct these reviews.

Appeals and Fair Hearings

A fair hearing system established by Bright from the Start following State and Federal guidelines is provided for independent centers and sponsoring organization officials to appeal adverse administrative actions and/or decisions by Bright from the Start.

Adverse actions and decisions that may be appealed may include, but are not limited to:

- denial of the application for participation;
- denial of an application submitted by a sponsoring organization on behalf of one or more centers;
- termination or suspension from the Program;
- denial of all or part of a claim for reimbursement (except for late submission);
- refusal by the administering agency to forward for Food and Nutrition Service's approval, an exception request for payment of a late claim or for an upward adjustment to a claim; and
- demand to repay any overpayment or reclaim of reimbursement.

In the event of a program denial or other adverse action, the center or sponsor must file a written appeal within 15 calendar days of receiving notification of the action. The organization should become familiar with Bright from the Start's Appeal Procedures, which can be found on the Bright from the Start website under the Nutrition Services section. The appeals procedure will also be given when any adverse action is made against the organization.

Serious Deficiencies

Based on the Federal regulations and State policies, Bright from the Start might not approve organization's application, or may discontinue its Program participation based on serious deficiencies found in the application submission or during reviews by Nutrition Consultants or agreed upon procedures reviews conducted. Serious deficiencies, which are grounds for denial of applications for new institutions, grounds for termination of Program participation for renewing or participating institutions vary based on each type and can be found in the regulations under 7 CFR 226.6(c). When an organization is found to be seriously deficient in its operation of the Program, the organization will be given the opportunity to correct the deficiencies.

Unless Bright from the Start and USDA determine and agree that necessary action has been taken to correct such deficiencies and prevent recurrence, organizations may not participate. If the organization makes permanent corrections, the organization may continue to participate in the Program. If the organization does not make permanent corrections, it will be terminated from participation. Organizations should thoroughly review Bright from the Start CACFP Policy 9 concerning the Serious Deficiency process.

National Disqualified List

When an organization is terminated from participation in the Program, the organization and the principals that contributed to the deficiencies are placed on the National Disqualified List and are not eligible to participate on the Program for seven years. If the organization or principal owes money, neither may participate until the debt is paid in full.



Household Notifications

Independent Centers and Sponsors must provide parents with information concerning the Child and Adult Care Food Program. Sponsors may distribute this information directly from the administrative office or delegate the responsibility of distributing the information to the center. If the responsibility is delegated to the center, the sponsor must ensure the center is distributing the information.

Letter with Income Eligibility Statement

A letter must be distributed along with the Income Eligibility Statement to inform households of the procedures regarding eligibility for free and reduced meals and must contain certain information based on the type of program. Bright from the Start has developed sample letters that may be used by centers based on the different criteria. These sample letters can be found on the CD provided to organizations at training and on the Bright from the Start website.

The Reduced Price Meal Income Guidelines must also be attached to the household letter according to Federal Regulations. Only the reduced meal income guidelines can be attached; therefore, these guidelines have been placed on a separate document to be attached to the household letter. The Reduced Price Meal Income Guidelines can also be found on the CD provided to organizations at training on the Bright from the Start website.

Pricing programs must attach their Appeal procedures to the letter as well so that households will know the procedures for appealing a determination they believe not to be correct.

WIC Information

Independents and Center Sponsors of child care centers, including Head Start centers, must provide updated WIC information to parents each year. Outside School Hours Centers and At Risk After School Care Centers are not required to distribute this information. WIC information should be provided to all households that enroll in the child care center and updated information should be provided to households each year.

New applicants are provided the WIC information in the application package received at program training. After the initial application and for those currently participating centers, the WIC Fact Sheet and the Income Guidelines can be downloaded from the CNP 2000 homepage under the Available Forms link on the left hand menu bar.

Institution Training

All institutions should train staff that are employed by the organization to perform CACFP duties within the organization. While independent centers are not required to document any training, staff that perform recordkeeping duties, prepare meals, or perform meal counts must be trained on the proper procedures and meal pattern compliance. Bright from the Start offers program training for the program contact within the organization, but expects the program contact to then train staff within their organization on all aspects of the Program.

Organizations should develop a training agenda for any staff that performs CACFP duties. Training on CACFP duties should take place prior to start of the staff person's duties. Sponsoring organizations must meet more stringent requirements for training staff and sponsored center staff. These requirements will be discussed in Chapter 9.

Program Contact Training

Bright from the Start Policy #26 requires that persons who take over as Program Contact for the CACFP attend Program Training within 90 days of taking over the position. However, Bright from the Start recommends completing training as soon as possible after taking over the position. Training is required so that the organization can ensure compliance with Program regulations and policies.

Use of CNP 2000 Database

Bright from the Start CACFP policy 14 requires that all organizations, after the initial application approval, use CNP 2000 to submit claims for reimbursement and renew or update information in the application. New organizations that are applying for participation in the CACFP will complete the Financial and Electronic Enrollment/Change Form with their application in order to receive a username and password for the system. The usernames and passwords initially assigned will be mailed to the person within the organization who has legal authority to sign the Agreement for Participation. **The password can and should be changed by this person prior to assigning the username and password to the authorized CNP 2000 user within the organization.** Identify specific individuals to pass this information to and emphasize the need for these usernames and passwords to be kept private. Passwords should be changed immediately if staff that have access leave the organization. Typically organizations assigned under this system should not need to send in information to update the user names and passwords. However, if the organization is

unaware of the user name and password, then the person with legal authority to sign the Agreement for Participation should submit a written request to the office to reassign or reset the information.

When Bright from the Start first began using CNP 2000, usernames were assigned to organizations by individuals name. When organizations are assigned under this system, it is necessary for the organization to delete a user's access when the staff person leaves the organization. To delete a user's access under this user name assignment, the organization should submit the Financial and Electronic Enrollment/Change Form, completing Section II and signing the form. This form is also used to add the new user(s). Because only two user names will be assigned, the organization must delete any users who the organization no longer wishes to have access.

Updating the Application

Institution Changes

The application is broken into an Institution Application and a Site Application. The institution application asks questions about the legal organization whereas the site application requests information concerning the actual location of the center where meals are served. For an Independent Center, this information is generally the same, although both applications must be completed.

When certain changes are made within the organization, it is necessary to update the application with the current information. Some information can be updated by logging into CNP 2000 and making the corrections in the application. Other information must be updated by completing and submitting specific forms to the Application Specialist. Discussed below are some changes that occur that must be updated and the process to update this information.

INFORMATION THAT CAN BE CHANGED VIA CNP 2000

The organization can change the following information concerning the Institution Status by logging into CNP 2000 and changing the information in the system:

- Street * or Mailing Address
- Program Contact Change**
- Claim Contact Name
- Phone or Fax Numbers
- E-mail Address

*In the case of an independent center, if changing locations, a new license must be submitted.

**If training needs to be completed, contact Bright from the Start to register.

INFORMATION THAT CANNOT BE CHANGED VIA CNP 2000

Institution Name Changes

Name changes cannot be updated on CNP 2000 and must be accomplished by completing and submitting the Institution Change Notification Form. Name changes that occur due to a change of ownership do not fall under an organizational name change. The process for change of ownerships would need to be followed. See this section in Chapter 3.

When either the FEI # or legal entity changes, a new agreement # will be assigned to the organization. Contact the Application Specialist for more details.

Federal Employer Identification Numbers (FEI #)

FEI #'s cannot be updated on CNP 2000 and must be accomplished by completing and submitting the Institution Change Notification Form. When the organization changes FEI #'s, the organization must submit documentation from the IRS (Form SS-4) to show the number change and the assignment to the legal organization that holds the CACFP agreement.

Legal Organization Ownership Codes

When an organization changes the ownership code such as the changing from a sole-owner to a corporation or partnership, this information cannot be updated on CNP 2000 and must be accomplished by completing and submitting the Institution Change Notification Form. The organization must submit the Certification of Incorporation/Organization and the Articles of Incorporation/Organization with the change form.

When either the FEI # or legal entity changes, a new agreement # will be assigned to the organization. Contact the Application Specialist for more details.

Bank Account Changes

When an organization changes the bank information, such as changing institutions or using a different account, the organization must submit the Financial and Electronic Enrollment/Change form. The organization should complete section I and III, attach a voided check, or if checks are not used documentation from the bank indicating the bank account and routing number, and submit the form to the Application Specialist.

Site Changes

Some changes that occur at the site are not necessary to update on the application until the renewal period. The following items **do not** require updates to the application because this information is entered on the claim for reimbursement each month:

- Enrollment Number
- Number of Title XX / Pre-K Cat. 1 recipients
- Number of Participants in the Free/Reduced/Paid income categories

Other changes to site applications should be made using the Site Change Notification Form. Some changes such as a change of location of the site will require updated licensing information, if the site is licensed. If adding the At Risk After School Care Snack Program, use the At Risk Application.

Voluntary Termination

Organizations must make Bright from the Start aware when the organization or a sponsored center will no longer participate on the CACFP. Independents and sponsoring organizations that are closing all centers must complete the Voluntary Closure Form. Sponsoring Organizations which are simply terminating a sponsored center will complete the Sponsor Update Form.

Civil Rights Compliance

Organizations that participate in the CACFP are required to be in compliance with Title VI of the Civil Rights Act of 1964. As such organizations may not discriminate based on race, color, national origin, sex, age, or disability.

Additionally organizations must provide information to households in a language that is understandable by the household.

“And Justice For All” Poster

Centers and sponsoring organizations must display the official USDA non-discrimination poster “And Justice For All” in a prominent location at each site and any administrative offices that are located off site.

Racial/Ethnic Data

The center is required to collect and maintain the racial/ethnic data on all enrolled children. This information is collected at initial application and in the renewal applications for those organizations that are required to submit a three-year renewal application. For those organizations that are not required to submit a renewal application, racial/ethnic data must be collected using the CACFP Racial/Ethnic Data Collection Form. The data should be gathered separately for each center in or around October of each year and filed with the new fiscal year information. Program officials must use safeguards to prevent the data from being used for discriminatory purposes. Such safeguards include allowing access to this data only to authorized personnel.

Pre-Award Compliance

Per FNS Instruction 113-1, Bright from the Start will conduct a pre-award compliance review of the CACFP application to ensure that Civil Rights compliance requirements are being met.

No Federal funds shall be made available to an institution until a pre-award compliance review has been conducted and the applicant is determined to be in compliance with nondiscrimination laws, regulations, instructions, or guidance.

At a minimum, the following data will be analyzed during the pre-award compliance review:

1. An estimate of the racial or ethnic make-up of the population to be served.
2. Efforts to be used to assure that under served populations have an equal opportunity to participate.
3. Efforts to be used to contact grassroots organizations about the opportunity to participate.
4. The names of other Federal agencies providing assistance to the applicant organization and whether the applicant has ever been found to be in noncompliance by those Federal agencies.

Nondiscrimination Statement on Publications

All leaflets, brochures, news articles, or bulletins that are made available to the public by the center or sponsor shall contain a statement that the CACFP is available to all participants without regard to race, color, national origin, sex, age, or disability and include the procedure for filing a discrimination complaint. This statement, which appears on the inside front cover of this handbook, shall

be included in a prominent place in each publication. If the publication does not allow space for the full statement, the following statement may be used “USDA is an equal opportunity organization.”

Audits for Nonprofit organizations

Nonprofit organizations which expend \$500,000 or more in Federal funds in their fiscal year are required to have and submit an audit report to the Federal Audit Clearinghouse in Compliance with OMB Circular 133 and 7 Code of Federal Regulations Part 3052. The share of an *organization-wide audit* cost based on the percentage of CACFP funds expended by the institution during the fiscal year being audited is allowable to be charged to the CACFP. The full cost of a *Program specific audit* conducted pursuant to 7 CFR Part 3052.235 is allowable.

Additionally *nonprofit* organizations that expend \$100,000 or more in State funds during their fiscal year must submit an audit to the Georgia Department of Audits and Accounts. *Nonprofit* organizations, which expend between \$25,000 and \$100,000 in State funds in their fiscal year, are required to forward a copy of their financial statements to the Georgia Department of Audits and Accounts. Refer to Bright from the Start policy #27 for more information. Costs associated with meeting audit requirements issued by the State of Georgia are not allowable to be charged to the CACFP.

Policies and Policy Memos

Bright from the Start will issue policies and policy memos concerning CACFP requirements that do not conflict with the Federal regulations, but which are more specific concerning the procedure Bright from the Start will use to meet the regulatory requirements. These policies and memos are distributed via email for those participants which have an email listed in the application and via postal mail for those organizations which do not have an email address.

Organizations must ensure they are aware of and in compliance with all policy and policy memos. All policies and memos can be downloaded from the Bright from the Start website at the following address: <http://www.decal.state.ga.us>. Under the Nutrition section, go to the Child and Adult Food Program Section (CACFP) and look for CACFP Policies and/or CACFP Policy Memos.

Chapter 8

Recordkeeping

Maintaining accurate records is vital to making sure CACFP reimbursement accurately reflects the organization's Program operations. This chapter provides information about the types of records that must be kept to justify the reimbursement claim and suggestions on managing this portion of the Program. Bright from the Start can provide help in answering any questions about the required records or about systems for collecting and maintaining these records. Bright from the Start Policy #8 concerning recordkeeping should also be reviewed.

Financial Management

Institutions must account for all costs of operation through the use of generally accepted accounting principles (GAAP). An efficient recordkeeping system that supports all payments received under the Program must be maintained, and all allowable costs in support of the organization's nonprofit food service must be documented.

Organizations must demonstrate they are financially viable and capable of managing Program funds. Program regulations governing Federal grants require that organizations be able to separately identify CACFP income and expenses. The organization is required to describe their financial management system in the management plan. Accounting systems must be able to distinguish the funding sources (where the money came from) and application (how the money is used) of funds. The following options are available to meet the standards for accounting records:

- a) **Option 1** - Use a chart of accounts to identify income source names and expense source names.
- b) **Option 2** - Have a common chart of accounts with specific revenues and expenses separated by the individual programs.
- c) **Option 3** - Maintain a separate bank account and separate financial records solely for CACFP income and expenses. Minimum accounting records include:
 - Check registry
 - All receipts and supporting documentation required by FNS Instruction 796-2 Rev. 3
 - Monthly Record of Operating Costs form
 - Monthly Record of Administrative Costs form
 - Proration methods on file for prorated costs

Organizations which cannot sufficiently describe how funds are separated cannot be approved for participation. The following circulars, regulations, and instructions should be consulted to ensure approval and compliance:

- 7 CFR Part 3016 – Uniform Administrative Requirements for Grants and Cooperative Agreements to States and Local Governments
- 7 CFR Part 3019 – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-profit organizations
- OMB Circular A-122 - Cost Principles for Non-Profit Organizations

- OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments
- FNS Instruction 796-2 Rev. 3 – Financial Management – Child and Adult Care Food Program

The Federal regulations can be found at www.gpoaccess.gov/nara/index.html. OMB circulars can be found at www.whitehouse.gov/omb/circulars. Copies of the FNS instruction and Bright from the Start policy can be found on the Bright from the Start website.

Retention of Records

All current years' records must be maintained. All other fiscal year records must be maintained for a minimum of 3 years after the end of the Federal fiscal year to which they pertain. For example, records related to reimbursement and costs during Fiscal Year 2004 (October 1, 2003 through September 30, 2004) must be kept until October 1, 2007. Fiscal Year 2003 records may be disposed of in October 2007 **only** if there are no unresolved audit findings or the center or sponsor's Program is not under investigation.

Meal Service Records

Independent and sponsored centers must keep daily records of meal counts and menus and enrollee attendance to support their claims for reimbursement. A description of the records required is discussed below. The sponsoring organization must collect these daily records from each sponsored center at least once a month to complete its monthly-consolidated reimbursement claim. However, sponsoring organizations may want to collect records from the sponsored centers more frequently than monthly to verify that the records are current and correct, and to help the center personnel understand and correct any identified mistakes prior to completion and submission of the claim.

Daily Menu and Food Service Record

Daily menus must be recorded on the Daily Menu and Food Service Record provided by Bright from the Start. Documentation of the Daily Menus must occur immediately before or after the service of the meal and must contain a listing of the food items served in each meal type to ensure that the requirements of the CACFP meal patterns were met.

Daily counts of the number of meals served to enrolled participants, taken at the **point of service**, which means counting the participant at the time a complete meal is served to him or her, must also be recorded on the Daily Menu and Food Service Record and be maintained by all participating centers. The total number of meals served by type – breakfast, lunch, supper or snack – must be recorded when meals are being served or immediately after the meal service.

Daily counts of meals served to “program adults” working in the center's food service and to any other non-enrolled persons must also be recorded. Although not claimed for reimbursement, costs of these meals are part of food costs reported by the center or sponsor.

Prior to submission of the claim for reimbursement, the Daily Menu and Food Service record must be reviewed to ensure that only meals that meet the meal pattern are claimed for reimbursement. Additionally, sponsoring organizations are required by Federal regulations to ensure that each sponsored facility only

claims meals for which they have been approved, that the number of meals claimed do not exceed the number of children enrolled times the number of operating days, and to verify any appearances of block claiming. The definition of **block claim** is “a claim for reimbursement submitted by a facility on which the number of meals claimed for one or more meal type (breakfast, lunch, snack, or supper) is identical for **15** consecutive days within a claiming period.”

Daily Attendance Records

Accurate daily attendance records of all enrollees must be maintained separate from the center’s meal count records, unless an alternate documentation system is approved by Bright from the Start. Bright from the Start does not have a standard attendance record that must be used. However, the center should ensure that staff or parents, are consistently completing the information as these records may be used to verify the meal counts taken by the center.

Enrollment Records

Enrollment documentation of each child in day care is required. For child care centers and Head Start centers, each child’s enrollment must be annually updated, signed by a parent/guardian and include the days and hours the child is normally in care and the meals the child normally receives. This can be done using the IES form, parental agreement form or any other document that collects the needed information.

Rosters

All participants enrolled for care at the center must be placed on the roster. The roster includes the name of each participant, the date of enrollment or departure at the center, and the income category that is determined through the income eligibility statement. Upon initial entry onto the program, the organization will put all participants on the roster in alphabetical order by last name. Then throughout the year, as individuals enroll for care, their names are placed at the bottom of the list. The roster should be kept current at all times, and while it’s recommended that the roster be updated daily, at a minimum it must be updated monthly. The same roster will be used until the end of the fiscal year (the Federal Fiscal year runs from October to September). At or around the beginning of the new fiscal year, a new roster must be developed. Since income eligibility statements are valid for one year, it’s recommended that the center obtain new income eligibility statements prior to the creation of the new roster.

The entry date on the roster can be either the date the individual first became enrolled for care or the day the roster is being updated. Individuals who disenroll from care should have an exit date entered in the appropriate column.

The roster is used to determine the number of children in each income category, which is then transferred to the claim for reimbursement. It is also used to determine if the for-profit center has enough Title XX or F/RP participants to qualify for the month in order to claim reimbursement.

Do not use correction fluid on rosters. If changes are needed in the income category, draw a line with red ink through the incorrect information, make the corrections, and initial and date the correction.

Eligibility Records

On the claim for reimbursement each month the organization is required to report to Bright from the Start the number of enrolled children whose meals are currently eligible for free, reduced price, and paid rates of reimbursement per the child's current IES form. (For additional information see Chapter 4, Free and Reduced Meal Determinations.) In addition, all proprietary Title XX and F/RP centers must keep records for each month Program reimbursement was claimed, documenting that at least 25 percent of the enrollees or of their licensed capacity, whichever was less, were Title XX recipients or eligible for F/RP meals. Title XX documentation consists of one or more of the following: 1) DFCS Form 69; 2) DFCS Form 77; 3) Computer generated roster from Maximus; 4) Georgia Pre-k Category 1 documentation.



Records to Support Program Costs

All organizations must keep accurate records of their operating and administrative costs to document the nonprofit status of their food service. In addition to specific forms required by Bright from the Start, the institution must maintain a financial management system as discussed earlier in this chapter. CACFP reimbursement may only be used to purchase items that are used in the operation of the food program. FNS Instruction 796-2 and/or staff at Bright from the Start should be consulted if there is doubt about whether a particular item can be paid for with CACFP reimbursement.

Monthly Record of Operating Costs

Operating costs are costs incurred by organizations for the preparation, service and clean up of meals. Allowable operating costs include, but are not limited to:

- food costs,
- food service labor costs,
- costs for certain nonfood supplies, and
- costs for purchased services.

All operating costs must be documented on the “Monthly Record of Operating Costs” form as well as documented in financial records. This form can be found on the Department web site. Documentation needed to support the costs is listed in the following sections.

Food Costs

Food costs are expenditures for the food used in all meals. The cost of the food may include the purchase price and charges for processing, transporting, storing, and handling purchased or donated food, including USDA commodities. These costs must be documented by items such as invoices, receipts, inventory records, and itemized bills.

If Program meals are purchased under a contract with a food service management company or commercial vendor, or under an agreement with a

school food authority, the organization must maintain the vendor's invoices for meals delivered to the organization.

Food Cost Reconciliation

Because FNS Instruction 796-2 Revision 3 indicates that only those food items used, not purchased, for CACFP operations are allowable, reconciliation of food purchased to food used must be conducted at least annually. Bright from the Start does not require monthly food inventory, but recommends this practice in order to conduct the required yearly inventory. Refer to Exhibit B of the referenced FNS Instruction for more information on this procedure.

Records of Food Costs

The following outline shows the types of records that must be maintained to support food costs:

Method of Purchasing Food	Records to Keep
A. Central purchasing by organization (buys, stores and disburses food supplies directly to facilities)	1. Itemized receipts and invoices for all food costs 2. Purchase/Inventory records for use in reporting the value of food used
B. Contract purchasing through a school (SFA) or food service management company (FSMC)	1. Procurement Records (for FSMC) 2. Copy of contract or school agreement 3. Itemized billings from SFA or FSMC 4. Daily count of number of meals served to participants
C. Direct purchasing	1. Itemized receipts and invoices for all food purchased 2. Inventory records as required by Bright from the Start

Food Service Labor Costs

Organizations must document the cost of food service labor needed for the operation of the CACFP. This may include wages, salaries, employee benefits, and the share of taxes paid by the independent center or sponsoring organization necessary to perform the following tasks:

- menu planning and purchasing;
- meal preparation, serving, and clean-up of Program meals;
- supervision of day-to-day food service operations, including supervision of children during the meal service; and
- on-site preparation of daily Program meal service records.

FNS Instruction 796-2 Rev. 3 requires that records to support labor costs include a compensation plan, payroll records, time and attendance reports, and time distribution reports. Refer to Bright from the Start Policy Memo dated May 23, 2005 for more information on documentation that must be on file to support any labor costs charged to the Program. The value of volunteer labor may not be used to support Program costs under this or any other cost category.

For part-time food service staff, the cost of labor must be prorated so that CACFP costs are supported by work performed only in the center's food service. In addition, if a portion of a food service employee's salary is paid with funds from another government or private source, accurate records must be maintained to ensure that the same costs are not charged to both sources.

Costs of Nonfood Supplies

Nonfood supplies include small kitchen equipment, paper goods (such as napkins and plates), and cleaning supplies used directly for the food service operation. Itemized receipts or invoices must be kept on file as documentation.

Costs of Purchased Services

Purchased services are items such as utilities, equipment rental, rental of facilities, and minor repairs. The costs for **all** food service related rental and repair expenses must be documented. Costs for shared purchased services such as utilities, water, and gas must be prorated and documented. Bills along with any proration methods for costs not used exclusively by the food program must be maintained along with proof of payment.

Monthly Record of Administrative Costs

Administrative costs are costs incurred in planning, organizing, and managing the food service operation under the CACFP. Administrative cost categories include the cost of clerical and office labor, office supplies, monitoring labor, training costs and mileage.

Bright from the Start requires the use of the "Monthly Record of Administrative Costs" form to document all administrative costs along with documentation in your financial records. This form can be found on the Department web site.

Administrative Labor Costs

Labor costs include compensation paid for labor needed for:

- planning, organizing, and managing the food service operation;
- completing CACFP application materials;
- compiling daily records to complete the monthly consolidated reimbursement claim;
- training;
- preparing the monthly reimbursement claim; and
- monitoring Program operations.

The costs of administrative labor must be documented. Records that must be maintained are the same as those needed for operating labor costs. Refer to Bright from the Start Policy Memo dated May 23, 2005 for more information.

The labor costs of administrative staff that works part-time on Program administrative duties must be prorated so that only CACFP administrative labor is claimed for reimbursement. Accurate records must be maintained to ensure that payment is not duplicated through CACFP reimbursement if a portion of an administrative staff member's salary is paid through another source of funding.

Administrative Supplies

Costs incurred for supplies used to administer the CACFP may include:

- cost of printing or reproducing materials that are used for the food service and nutrition education materials;
- office supplies;
- telephone calls; and
- postage necessary for the center’s food service operations.

Itemized receipts, invoices, and other records must be kept to document these costs.

Other Administrative Costs

That portion of an organization’s expenditures for rent, utilities, office supplies, professional activities, training, transportation, and other allowable costs, which is applicable to the CACFP, is reimbursable.

When vehicles owned by a sponsoring organization or by one of the organization’s employees are used for CACFP administrative duties (such as visits to centers for monitoring or training), the transportation cost – approved mileage rate times total miles plus parking and toll fees – are allowable costs. Records must be kept to document the mileage claimed. Refer to FNS Instruction for specific documentation for mileage costs. Organizations should follow the guidelines in the FNS Instruction concerning allowable rates when applying mileage, lodging, or meals related to overnight travel.

Contractor/Consultant Costs

When an organization finds it necessary to contract to obtain legal or professional services from individuals that are not employees or officers of the organization, organizations must first request and obtain specific approval to pay this cost with CACFP reimbursement. In FNS Instruction 796-2 Rev. 3 contractor/consultants is listed under the cost name of “Legal Expenses and Other Professional Services.” Once specific approval has been obtained, the organization must receive a bill/invoice and timesheet if the service performed is based on an hourly rate to support the costs paid to this individual. A timesheet must show the total amount of time the individual performed program duties for the time period in which payment will be made. A sample timesheet can be provided to you from Bright from the Start. If the payment is not based on an hourly rate, submission of work completed must be documented.

Itemized Receipts/Invoices

Receipts and invoices used to support the costs charged to the CACFP must contain the name of the items that were purchased and the cost of each item. The total cost of the transaction should also be listed as well as the date of the transaction and the contact information (i.e. name of person or store, address, phone#). It’s recommended that copies of carbon receipts be copied, as they tend to fade over time.

Reimbursement Records

Organizations must document income to the Program from all sources and maintain copies of all submitted claims for reimbursement, as well as receipts for all Program payments received from Bright from the Start. In addition, sponsoring organizations must keep records of the amount and date of all fund disbursements to each sponsored center.

Required Prototype Forms

Certain forms have been created as standard forms that must be used by each organization. If the organization would like to use a form in lieu of the standard form, the institution must request approval of the alternate form. The following forms are required forms that must be used and approval received prior to use of an alternate form:

- All application forms provided by Bright from the Start;
- Roster;
- Income Eligibility Statement (unless participating in another Federal Food Program where the use of an income application is already used);
- Daily Menu and Food Service Record;
- Monthly Record of Meals and Snacks Served;
- After School Snacks Monthly Menu and Food Service Record;
- Infant Daily Menu and Food Service Record (two options);
- Monthly Record of Operating Costs;
- Monthly Records of Administrative Costs.



Alternate Form Approval

When an organization wishes to use an alternate form to collect information that is required for recordkeeping purposes, the organization should make a written request to Bright from the Start. The alternate form that will be used must be submitted with the written request. The request must note which Bright from the Start form will be replaced by the alternate form and contain an explanation concerning how the form will be used.

The following guidance should be used when developing alternate forms:

- Revised forms used in the operation of the CACFP must capture all documentation required by USDA regulations, policies, instructions and Bright from the Start policies for the specific type of organization for which the form is being used.
- Revised forms used in the operation of the CACFP in the State of Georgia must not contain the Bright from the Start: Georgia Department of Early Care and Learning name, nor any other State Agency name. All forms altered by the organization may reflect the name of the organization and the Child and Adult Care Food Program name.
- Instructions that were previously indicated on the Bright from the Start prototype form must be revised, or completely removed, to reflect correct completion of the altered form.

Approval will be granted if these guidelines are followed and the revised form allows for documentation of all information required by CACFP regulations and

Bright from the Start policies, which apply to the specific organization making the request. For example, an adult care program may request approval of a revised Daily Menu and Food Service Record where the organization has removed all references to child participants. In this case, since the adult care program enrolls no children, and the form allows for collection of information concerning adult program participants, the form would be approved.

Records Availability

All Program records must be readily available for review by the Bright from the Start, USDA and any of their agents and audit by State and Federal auditors. If when visiting the organization, records are not available for review, the organization will be required to provide the records, at the organization's burden and expense, to the Bright from the Start staff person within five business days of the visit at the location specified. Refer to Bright from the Start Policy #18 for more information on records that must be maintained.

Chapter 9

Center Sponsor Requirements

This chapter discusses requirements as they pertain to sponsoring organizations of affiliated centers, or center sponsors. Administrative sponsors should refer to the Administrative Sponsor handbook for requirements for sponsors of unaffiliated centers. All sponsoring organizations should carefully review Section 226.16 of the CACFP regulations to ensure it meets all the regulatory requirements. Many requirements have already been discussed in previous chapters. However this chapter pertains to those responsibilities that are only required by sponsoring organizations.

Training Requirements for Sponsors

Sponsoring organizations are required to train all monitors that will review the sponsored centers. In addition center sponsors must train “key” staff of their sponsored centers in Program responsibilities and duties prior to the beginning of their food service operations. Sponsoring organizations are also required to provide annual training to participating centers.

Training for new centers, participating centers, and monitors should include the following items:

- meal patterns
- meal counts
- claims submission and review procedures
- recordkeeping requirements
- the reimbursement system

All training should be conducted in manner and level that is appropriate to the group being trained. Annual training should vary based on the needs of the centers or staff being trained.

Training Records

Records of sponsoring organizations’ required annual or more frequent training sessions for their centers’ “key” personnel and any others must be maintained. These records must include dates, locations, CACFP topics discussed, and names of center personnel in attendance.

Monitoring Requirements for Sponsors

Each sponsoring organization must provide adequate supervisory and operational personnel for the effective management and monitoring of the food service operations at all child care centers under its sponsorship. Some of the sponsor’s monitoring requirements include:

- Pre-operational visits to each new or potential center that wishes to participate in the CACFP to discuss Program benefits and requirements, and to ensure that the staff is capable of providing the proposed food service. A new center is considered one that has never participated or one that has had a lapse in participation of six months or more;
- At least one review visit to each **new** center during its first 4 weeks of Program operations;
- Reviews of food service operations at least three times a year at each sponsored center to assess compliance with meal patterns, recordkeeping, and other Program requirements;

- At least two reviews must be unannounced;
- At least one of the two unannounced reviews must include the observation of a meal service;
- Not more than 6 months can elapse between each review.

Bright from the Start's Monitoring Memo dated March 18, 2005 should be thoroughly reviewed to ensure compliance with all requirements.

Sponsors must be able to keep track of and ensure that all review requirements are met. In order to track reviews, it's recommended that the sponsor use the sample form provided by Bright from the Start entitled "Review Scheduling Log."

Monitoring Staffing

Sponsoring organizations that sponsor 25 or more centers must employ enough monitors to ensure that there is one full time monitor for each 25 to 150 centers sponsored. Sponsoring organizations which sponsor less than 25 centers are not required to meet this provision.

Review Elements

Sponsoring organizations must review certain items of each sponsored center in order for the review to count as a full review. Bright from the Start has a required Center Review Form that must be used by sponsoring organizations when reviews are conducted. The review form contains instructions for the completion of the review as well.

If the organization would like to use a different review form, the organization must submit approval to the Department for an alternate form use. However, the review form must cover all the elements of the review found at 7 CFR 226.16(d)(4). Until the Department grants approval, the organization must continue to use the Bright from the Start required form.

It's recommended that the sponsor alternate the meal service observed at the reviews conducted. For example, if the sponsor observed lunch on the first review, breakfast may be observed on the second visit, and snack on the third.

At the conclusion of the review, the monitor should conduct an exit conference with the center director or other applicable person, and explain any findings that were noted. The center should describe a corrective action and a timeframe to complete the corrective action.

Review Follow-up

Based on the center sponsor's policy for conducting follow-ups, the sponsor may need to make another visit to ensure that corrective action has been achieved. If technical assistance or training is needed, the sponsor should provide the appropriate assistance.

Follow-up reviews must also be conducted when block claiming is detected on a center's Daily Menu and Food Service Records or Monthly Record of Meals and Snacks served per 7 CFR 226.10(c)(3). The follow-up review must be conducted within 60 days of the discovery of the block claim and must be unannounced.

During a follow-up to investigate block claiming, the sponsor should review the attendance and enrollment records to determine if the number of children that are being claimed are actually enrolled and coming to the center. The sponsor should also compare the meal count on the day of the visit to the meal counts for that same meal service that was “blocked claimed” to determine if the numbers appear comparable. If the attendance/enrollment records do not support the meal counts, the sponsor should make parental contacts to verify attendance. If there is a reasonable explanation for the block claim, the sponsor should document this explanation in their review records. If based on the investigation it appears that the center is claiming meals that were not actually served, the sponsor may need to take action to terminate the center’s participation.

Review Records For Sponsors

A sponsoring organization of centers must keep documentation on file of the location and date of each sponsored center reviewed, any problems cited, and the corrective action required and completed. The sponsoring organization should also maintain records documenting assistance and guidance it has provided to center personnel to complete a corrective action(s). All sponsoring organizations are required to use the standard review form provided by Bright from the Start unless the organization has received approval to use an alternate form.

Review Averaging

A sponsoring organization is allowed to average reviews per 7 CFR 226.16(d)(4)(iv). Center sponsors who wish to average reviews should refer to Bright from the Start’s Review Averaging policy memo dated March 18, 2005. Sponsors must keep in mind that a center which has had a substantiated block claim, may not receive less than three reviews for the fiscal year.

Household Contacts

The sponsor must conduct household contacts in accordance with Bright from the Start Household Contact policy memo dated March 18, 2005. When household contacts must be conducted, the sponsor should make a reasonable amount of contacts in order to validate or invalidate an allegation or suspect action. A reasonable amount of contacts would typically be 10-20 percent of the enrollment of the center.

Claim for Reimbursement Edits

Sponsoring organizations are responsible for collecting all supporting records for each sponsored facility in order to submit the claim for reimbursement. Prior to submission of the claim for reimbursement, the sponsor must review the supporting documents to ensure that a valid claim is submitted. The following are edits checks that must be performed for each sponsored center:

- Review of all meals served to ensure compliance with the meal pattern. Since meals that do not meet the meal requirements cannot be claimed, the sponsor must “disallow” the meals and not include these meals on the claim.
- Review eligibility documentation for proprietary centers (for-profit) and ensure that all for-profit centers qualify to claim reimbursement for the month.
- Verify that the meals being claimed by each center were approved by Bright from the Start in the application per 7 CFR 226.10(c)(1).
- Review the Daily Menu and Food Service Records and Monthly Records of Meals and Snacks Served to ensure that meals are only claimed for days that

the center was open for child care including a review to ensure that holidays were not claimed.

- Compare the number of participants enrolled for each center, multiplied by the number of operating days to the total number of meals claimed by the facility for the month per 7 CFR 226.10(c)(2).

The following is an example of the how the last edit check would be performed.

Center #1 has an enrollment of 50 children.

The center is open for child care 20 days for the month being claimed

The center claimed 1000 breakfasts, 1100 lunches, and 1200 PM snacks.

50 is multiplied by the number of operating days, in this example 20 days. The result is 1000. Therefore, 1000 is the maximum number of meals that could possibly be claimed for any of the meals served. When this calculation is done, Center #1 has over claimed lunches by 100 meals and PM snacks by 200 meals.

The sponsor must then make the adjustments and “disallow” the number of meals that should not have been claimed. The sponsor must notify and follow-up with the center to determine the reason the excess meals were claimed.

Household Notifications

Center Sponsors are required to provide households with a notice to inform them of the centers’ participation in the CACFP per 7 CFR 226.16(b)(5). Additionally sponsors must provide the notification in a language that is understandable by the participant’s parents or guardians. Bright from the Start provides the Building for the Future Flyer to organizations as a means to meet this requirement. If the sponsor chooses to use some other form of notification, such as integrating this information on the household letter that is sent with the income eligibility statement, the sponsor must ensure the notification includes the following:

- Notification of the center’s participation in the CACFP
- Benefits the CACFP provides
- Name and telephone number of the sponsoring organization
- Name and telephone number of the Department of Early Care and Learning

This notice is required when new households enroll, but is not required to be given to participating households annually.

Independent Centers Moving to Center Sponsor

Independent centers that buy a second center which will be operating under the same legal corporation and Federal Employer Identification number as the first site, may add the second site to their application and will become Center Sponsors. Because a sponsoring organization has additional responsibilities, the organization must demonstrate it is capable of acting as a center sponsor. Refer to Chapter 3 in the “Adding Sites” section for information regarding how to make an application.

As a center sponsor, the organization will be required to complete a new management plan showing it has management practices in place to accomplish the required responsibilities. The management plan, budget and all other documents, other than site-specific documents, submitted in the Center Sponsor

application should discuss practices and finances regarding the sponsoring organization as a whole, which include all sponsored facilities.

Appendix A - List of CACFP Requirements

The following list is meant to provide organizations with the primary responsibilities that must be conducted to participate in the CACFP. It does not cover every responsibility and organizations must review the handbook, policies and regulations to ensure compliance. More detail can be found regarding the responsibilities in the applicable section in this handbook.

DAILY

- Record the number of meals served to each enrolled participant at the “point of meal service” on the Daily Menu and Food Service Record.
- Maintain daily attendance records.
- Provide WIC Fact Sheet and WIC Income Guidelines to all newly enrolled participants. (Outside schools hours and At Risk after school care programs are not required to complete this action). This information only has to be distributed once a year but must be distributed to participants as they enroll. WIC fact sheet and guidelines can be found at under the Available Forms link on CNP 2000 or under the Bright from the Start website.
- Provide the Building for the Future Flyer to all newly enrolled participants. This flyer only has to be given out once to each newly enrolled participant. The Building for the Future Flyer can be found at <http://www.decal.state.ga.us> under the Nutrition Services – CACFP Participant Information – Poster and Flyers section.

WEEKLY

- Complete documentation to support labor costs. Refer to Bright from the Start policy memo entitled “Labor Cost Documentation” dated May 23, 2005 and FNS Instruction 796-2 Rev. 3 to determine the specific requirements and frequency of documentation required. Specific forms can be found at <http://www.decal.state.ga.us> under the Nutrition Services - CACFP Forms section.

MONTHLY

- Review all records for accuracy and eligibility in order to file the claim for reimbursement.
 - Update the Roster of Food Program Participants exiting participants who are no longer in attendance and adding newly enrolled participants.
 - Ensure that the for profit center qualifies to file a claim by taking the total number of participants enrolled for that month (Enrolled is defined as being registered for care and having attended the center at least one day in that month), then using the Title XX documents (forms 69, 77, or computer generated documents from Maximus) or Title XIX documents (Dept of Medical Assistance documentation) to determine the number of participants receiving Title XX/XIX. The number of Title XX/XIX is divided by the lesser of the total enrollment or licensed capacity to determine if the center has 25% of participants which receive Title XX/XIX in order for the For profit center to qualify to file a claim for that month.

- Child care centers which do not meet the Title XX 25% requirement may use the Free and Reduced Eligibility. To use this method ensure all Income Eligibility Statements are current and complete, update the roster with the correct income category. Add all participants which qualify for Free and Reduced Price Meals and divide this number by either the total enrollment or licensed capacity (the lesser of these two). If the center has 25% of participants which qualify for Free and Reduced Price Meals, the center may file a claim.
- Review all Daily Menu and Food Service Records to determine that each documented meal was creditable. If documented meals are not creditable, the meal should not be claimed. Document this fact on the Daily Menu and Food Service Record and put zeros for that meal service on the Monthly Record of Meals and Snacks Served.
- Review all Daily Menu and Food Service Records to determine that meal counts are accurate and documented. If meal counts were not documented, meals cannot be claimed. (These counts cannot be recreated.)
 - Review meal counts to ensure no meals are claimed for days when the center was closed.
 - Review meal counts to ensure mathematical accuracy.
- Consolidate all creditable meal counts and document total number of eligible meals to be claimed for each day in the month meals were served on the Monthly Record of Meals and Snacks Served.
- File the claim for reimbursement on CNP 2000 using the meals counts listed on the Monthly Record of Meals and Snacks Served (one form per facility).
- Complete documentation to support labor costs charged to CACFP. Refer to Bright from the Start policy memo entitled “Labor Cost Documentation” dated May 23, 2005 and FNS Instruction 796-2 Rev. 3 to determine the specific requirements and frequency of documentation required. Specific forms can be found at <http://www.decal.state.ga.us> under the CACFP Forms section.
- Document costs on the Monthly Record of Operating Costs form.
- Document costs on the Monthly Record of Administrative Costs form.
- Update financial records with all costs paid with CACFP monies.
- Consolidate all receipts and invoices to support the costs paid with CACFP reimbursement and maintain with monthly records.
- File all records for the current month neatly together.

YEARLY

- Participate in annual training.
- Collect and maintain the racial/ethnic data on all enrolled participants.
- For organizations that update all Income Eligibility Statements once a year, distribute statements and letters to households.
- Update enrollment records for all child care centers (not applicable to emergency shelters, outside school hours, and At Risk snack programs).
- Submit documentation if requested by Bright from the Start to continue participation.

EVERY THREE YEARS

- Renew the CACFP application.

AS NEEDED

- Update the application on CNP 2000 if the program contact changes or other changes occur that are listed in the Updating the Application section of the handbook.
- Register new program contacts for CACFP Program Training.
- Notify Bright from the Start of change of ownerships or closure of center.
- For organizations that update all Income Eligibility Statements as they expire, distribute statements and letters to households a month prior to the expiration date.
- Train new staff on CACFP requirements.
- Update the CNP 2000 authorized users when staff leave the organization if user names are assigned according to individual names. Use the Financial and Electronic Enrollment/Change Form to update users.

Appendix B - How to Calculate Average Daily Attendance

In order to calculate the average daily attendance, you should follow these three steps.

Step 1. At the end of each day, determine the number of different children who attended that day.

Step 2. At the end of the reporting month, add the daily attendance totals. This figure is your total monthly attendance.

Step 3. To determine the average daily attendance (ADA), divide the total monthly attendance by the number of days served.

The following is an example of a sample worksheet for calculating ADA.

<u>Date</u>	<u>Total # of Participants that Attended Each Day</u>
Jan. 3.....	25
Jan. 4.....	30
Jan. 5.....	35
Jan. 6.....	28
Jan. 9.....	27
Jan. 10.....	36
Jan. 11.....	42
Jan. 12.....	23
Jan. 13.....	21
Jan. 16.....	38
Jan. 17.....	36
Jan. 18.....	45
Jan. 19.....	29
Jan. 20.....	33
Jan. 23.....	41
Jan. 24.....	38
Jan. 25.....	40
Jan. 26.....	31
Jan. 27.....	22
Jan. 30.....	35
Jan. 31.....	25

Total Monthly Attendance = 680

Divide 680 by the total number of days meals were served (operating days)
 $680 \text{ divided by } 21 = \text{the Average Daily Attendance } 32.38$

Always round up to the nearest whole number when calculating the ADA.

In the example above 32.38 should be rounded up to 33. Rounding up ensures the facility is not penalized by restricting legitimate meals served.